

# REVIEW OF REVIEWS

EDITED BY ALBERT SHAW • VOLUME XCIV • NUMBER TWO

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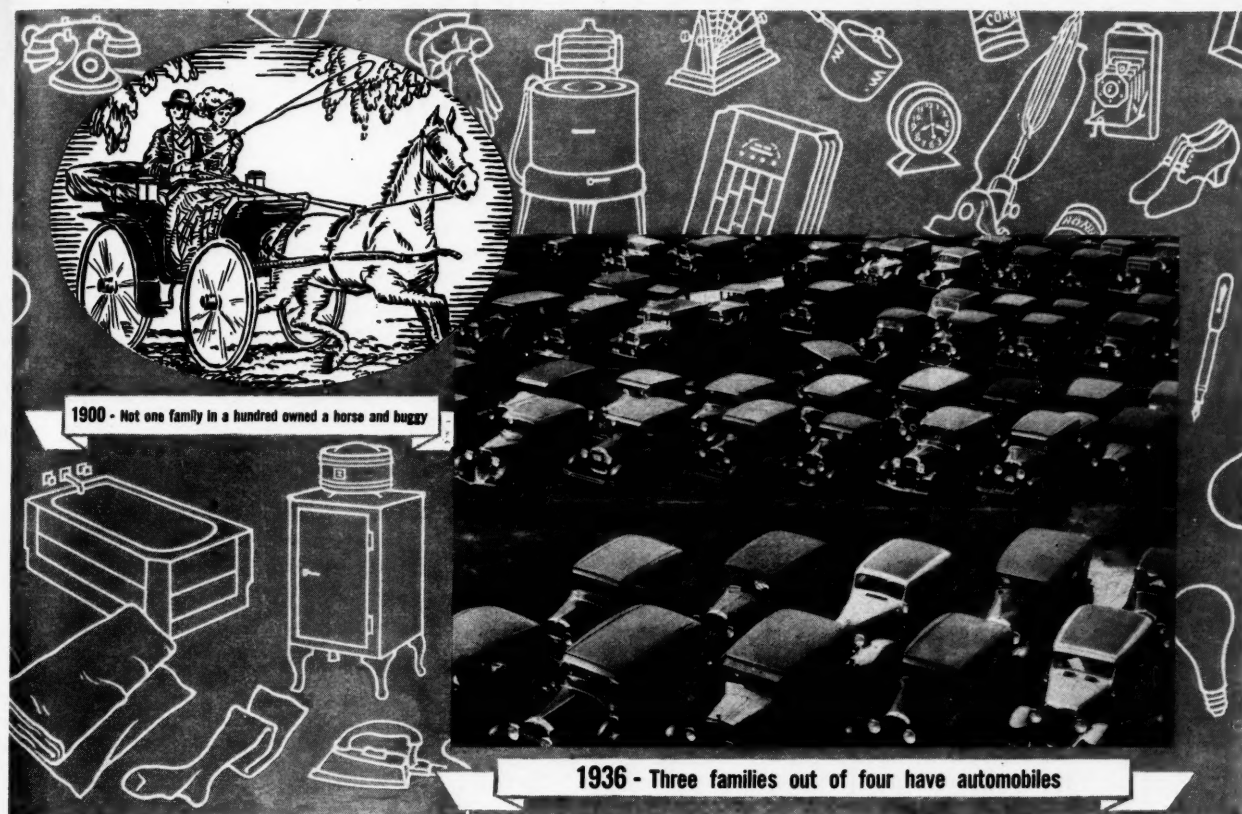
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## More Goods for More People

**I**N 1900, not one family in a hundred owned a horse and buggy; today, three out of four have cars. One family in thirteen had a telephone; now, one family in two. In 1900, modern plumbing and central heating were luxuries—less than 500,000 homes had electricity—radio and electric refrigeration were unknown. Today, 21 million homes are wired; 7 million families own electric refrigerators; 22 million have radio receivers.

In 1921, a MAZDA lamp cost 45 cents; it now costs 15 cents. You receive 80 per cent more light for your dollar because of greatly increased lamp efficiency and a lower average electric rate for the home. General Electric research developed these lower-cost lamps, helped devise more economical ways of generating and distributing electricity—to bring better light to more people at less cost.

Today, electricity is vital to industry, for the manufacture of most goods—from bath-tubs to textiles, foods to furnaces—to meet the increasing needs and the purses of millions. In this progress, G-E research and engineering have ever been in the forefront. And still, in the Research Laboratory, in Schenectady, General Electric scientists continue the search for new knowledge—from which come savings, new industries, increased employment, more goods for more people.

G-E research has saved the public from ten to one hundred dollars for every dollar it has earned for General Electric

**GENERAL**  **ELECTRIC**

# SCIENCE AND RESEARCH

## POWER-ALCOHOL

The most heated controversy in the realm of science and industry rages over alcohol for fuel. On one side are research chemists who have perfected a 10 per cent alcohol blend with gasoline. Opposed is an established petroleum industry which argues that the blend is neither more efficient nor cheaper. In between is the great American farmer; for it takes a bushel of corn to yield 2 1/3 gallons of alcohol, and 776 million bushels to yield enough alcohol for a 10 per cent blend with our yearly gasoline consumption. That is half of our total corn crop in a drought year, or one-fourth of a now-almost-forgotten bumper year. In other words, if a farm lobby could pass laws in the name of conservation requiring a 10 per cent fuel blend from "a renewable source of supply" (from the soil and not the subsoil; from the farm and not the well), 30 million acres would go to work. A 10 per cent alcohol blend needs a simple carburetor adjustment, which increases fuel consumption by 4 per cent. Thus your fuel costs more and drives you not so far. Will all farmers—who are large consumers of gasoline—be willing to pay this subsidy to the corn farmer?

## ALCOHOL FROM COAL

In Britain the best results from alcohol fuel, in ordinary motor use, are obtained from a 20 per cent mixture with 80 per cent of gasoline. Last year Britain produced 47,000,000 gallons of ethyl and methyl alcohol, chiefly from malt, unmalted grain, rice, and molasses. Methyl alcohol from coal, by a new British process in laboratory stage, is expected to reduce present costs. Recovery of 246 gallons of methyl alcohol from a ton of coal is indicated; but three-quarters of another ton is consumed in the process; so that the actual alcohol yield is 140 gallons per ton of coal. The same quantity is produced in the United States from 60 bushels of corn—worth at the moment, on the farm, perhaps 70 cents per bushel.

## NOCTURNAL BASEBALL

Lighting engineers are bringing 32,000 to 34,000 customers to each night game at the Cincinnati ball park. There are to be seven night games during the season. Question: Are they new fans, who can't get away from the grindstone of an afternoon? Or are they regulars, who have discovered that they like cool night air better than the famous bleachers? Average attendance is 3 at night for every 1 in daytime.

## FANS

Air-conditioners using the fan principle have never really been news since the gentle waving of palms by early Egyptians. But now a Cleveland manufacturer claims attention with an elec-

tric fan that stirs the air and at the same time disseminates into the airstream your choice of aromas. The fan comes in a cabinet equipped with bottles of special type. You may waft a deodorant around the room, if that is the need. Or you may fill the bottles with your favorite flower perfume. Available also is a balsam odor, said to be good for hay fever; or what is termed an ozone odor, designed as an antidote for cooking and smoking fumes. All for a better world in which to live and breathe.

## TELEVISION

Broadcasting of television makes its formal bow, but no commercial sets will be made before 1937. Least worrisome job is to make a receiving set that will not be too expensive; present guess is \$250 up, until mass production arrives. Most worrisome job is to make a set that will not become obsolete in a month or two, since every experimenter has half a dozen rivals with brains and scads of money. Broadcasting may take two forms: spot news, such as a fire-side talk by a presidential candidate whom you will see as well as hear; and canned entertainment, such as a musical comedy. No advertising is as yet permitted in television broadcasting; but someone must pay, and the great American public will probably prefer advertising sponsorship to the European fee system under government control. When practical television arrives it means the dump-heap for radio sets, just as surely as the talking picture displaced the silent film. Does it not mean also the to-let sign for motion-picture theaters?

## LIE-DETECTING

Beware the modern detective. A university laboratory has perfected a new gadget, held in the hand, which records a suspect's perspiration during questioning. When the answer is a lie the perspiration in his palm increases, makes less resistance to an electrode, and the change is recorded photoelectrically. This new machine operates simultaneously with breathing and blood-pressure recorders. If each shows a sharp curve at the same point the subject is undergoing undue emotion; that is, he is lying.

## LESS MEAT?

Henry Ford says that the farm animal will go, but that farms will become larger. He is talking not of tractors that displace work animals, but of livestock for food. "Scientists will develop food and grains to a convenient form where they will replace the animal forms." A first glance at the record would indicate that this movement is well under way, for capita consumption of meat declined from 149.7 pounds in

1924 to 120.8 pounds (estimated) last year. More thorough reading of the data, however, discloses that practically the entire drop of 29 pounds per person was in the consumption of pork, due in part to the slaughter of sows and pigs and the subsequent rise in price. We eat more veal, lamb, and mutton than almost ever before, and less beef. Incidentally, meat consumption proved to be depression proof, because prices were cut in half.

## QUICK-DRYING CONCRETE

Vacuum concrete—not yet out of the preview stage—is a process which hardens wet concrete in fifteen or twenty minutes. A mat of metal or rubber is placed over freshly poured concrete, with hose connections to a suction pump. Sucking air and water out, plus the outside atmospheric pressure resulting from the vacuum, does the trick. Pavement can be walked on almost as soon as the pumping is ended. Forms for low-cost housing can thus be used twice or more in the same day.

## LOW-COST LIGHTING

In twenty years—since the war began, for instance—the cost of a candle power of electricity has declined by 60 per cent. What cost \$1 then costs only 40 cents now. This is due to three factors: (1) lower rates for electric energy, (2) increased efficiency of the lamp itself, and (3) a reduction in the cost of the lamp.

## CASH VALUE OF RESEARCH

Black-stem rust damaged wheat in North Dakota alone last year to the extent of \$100,000,000, but the Department of Agriculture has developed a new spring wheat (Thatcher) that is resistant to practically all the known varieties of rust. Does research pay?

## POTATO STARCH

Are you looking for an opening in the great and growing field of chemurgy? Possibly the lowly potato affords it. Potato starch is used in sizing cotton threads, so that they shuttle merrily through high speed looms; and it is used in making the dextrin that sticks layers of plywood together. Maine has the potatoes and a score of none-too-modern plants which make starch that is not as good as European potato starch. Production, 13,000 tons of starch in a busy year; imports, 8,000 tons with a tariff of 1½ cents a pound. Some years imports exceed domestic production. About one-sixth of Maine potatoes is starch, a third of which is lost in the recovery process. Thus the yield is roughly 10 per cent. You buy culls or surplus potatoes at 10 cents a bushel, and sell your starch for something less than 4 cents a pound. As we figure it, a 30 cent barrel of potatoes yields perhaps 60 cents in starch.

# Accountancy Home-Study

## made interesting and practical thru problem method

**Y**OU know as well as we do that Accountancy fits many men for positions that pay three and five and ten thousand dollars a year—gives many other men unusual opportunity to start a profitable growing business of their own.

You probably realize also that—because of the new state and federal legislation—the accounting profession faces now and for the next few years the greatest opportunity it has ever had.

The only question is—just how practical is it for you to train yourself adequately in Accountancy through home study?

And the answer lies in the LaSalle Problem Method.

For this modern plan of training not only makes Accountancy study at home thoroughly practical but makes it interesting as well.

And here's how:

### You Learn by Doing

Suppose it were your privilege every day to sit in conference with the auditor of your company or the head of a successful accounting firm. Suppose every day he were to lay before you in systematic order the various problems he is compelled to solve, and were to explain to you the principles by which he solves them. Suppose that one by one you were to work those problems out—returning to him every day for counsel and assistance—

Granted that privilege, surely your advancement would be faster by far than that of the man who is compelled to pick up his knowledge by study of theory alone.

Under the LaSalle Problem Method you pursue, to all intents and purposes, that identical plan. You advance by solving problems.

Only—instead of having at your command the counsel of a single individual—one accountant—you have back of you the organized experience of the largest business training institution in the world, the authoritative findings of scores of able

accounting specialists, the actual procedure of the most successful accountants.

Thus—instead of fumbling and blundering—you are coached in the solving of the very problems you must face in the higher accounting positions or in an accounting practice of your own. Step by step, you work them out for yourself—until, at the end of your training, you have the kind of ability and experience for which business is willing and glad to pay real money—just as it was glad to pay these men.\*

### Five Men Who Tested and Proved It for You

For instance, there was the man who started Accountancy training with us in 1916. After a short period of study, he took a position as bookkeeper for a year, and then became accountant for a leading automobile manufacturer—with two bookkeepers under him. Today he is auditor of one of the foremost banks in his state and his salary is 325 percent larger than when he started training.

He writes, "My training is the best investment I've ever made, showing a cash value running into five figures."

And the young clerk, earning \$75 a month eleven years ago and now getting many times that as general auditor for an outstanding, nation-wide organization:

Within six months after he began our training, he was earning \$125 a month and within four years, he was earning \$250.

Do you wonder that he writes, "While LaSalle ads once seemed like fairy tales to me, now I know from personal experience that they are true"?

Or let us tell you about two men—one a stenographer and the other a retail clerk—neither of whom knew more than the simplest elements of bookkeeping. One is now the comptroller and the other the assistant comptroller of a large company.

"LaSalle training in Higher Accountancy," write both, "was the important factor in our rapid climb."

And if you are thinking about the C. P. A. degree and a public accounting business of your own, read about the pharmacist who was earning \$30 a week eleven years ago when a LaSalle registrar secured his enrollment for Accountancy training. Eight months later he left the drug store to take a bookkeeping job at \$20 a week—less money but larger opportunity. Three years later he passed the C. P. A. examination and a year later yet he was earning \$5,000 a year. Now he has his own highly successful public accounting firm for which he says, "My LaSalle training has been largely responsible."

### One-Tenth of All C. P. A.'s Are LaSalle Trained

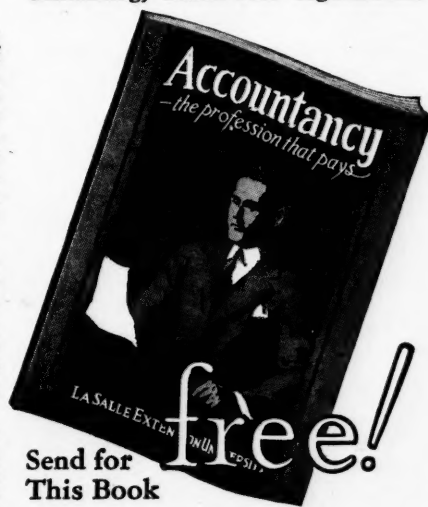
If you want still more proof, remember that 1,350 C. P. A.'s—approximately one-tenth of all those in the United States who have ever passed the difficult examination for this coveted degree—are LaSalle trained.

And knowing these facts, ask yourself if there can be any further question about the practicability of this training for you—ask rather if the real question is not about the size of your own ambition and the quality of your determination.

For Accountancy is no magic wand for the lazy or the fearful or the quitter—it offers success only to the alert adult who has the courage to face the facts and the will to carry on till the job is done.

If you are that individual, the coupon below, filled out and mailed, will bring you free the information that can open up to you the future of which you have dreamed—ability and income and success.

Is it not worth getting that information?



Send for  
This Book

\*Names and addresses given on request.

## LaSalle Extension University

LaSALLE EXTENSION UNIVERSITY, Dept. 867-HR, Chicago, Ill.

Please send me, free of all cost or obligation, your 64-page, illustrated book, "Accountancy, the Profession That Pays," telling about the profession of accountancy and your training for success in that field.

Name.....

Address.....City.....

Position.....Age.....





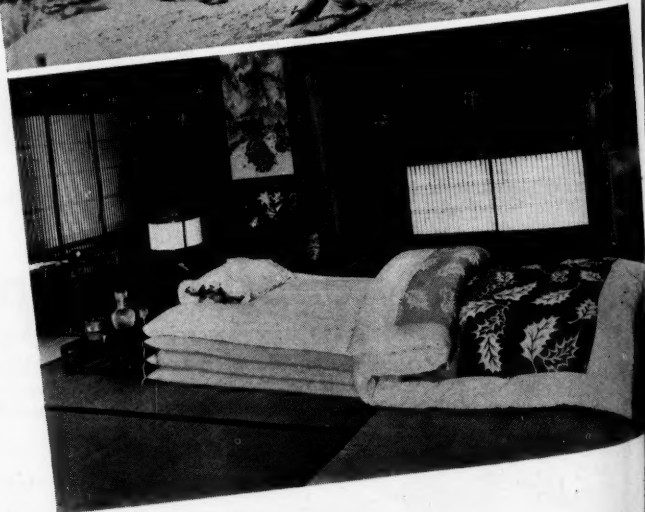
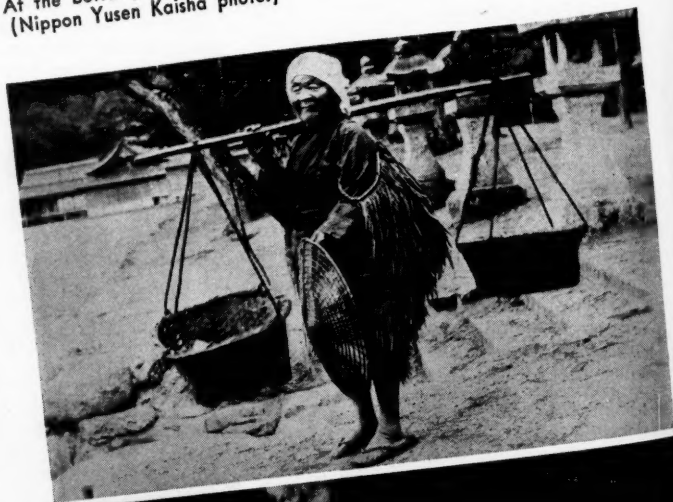
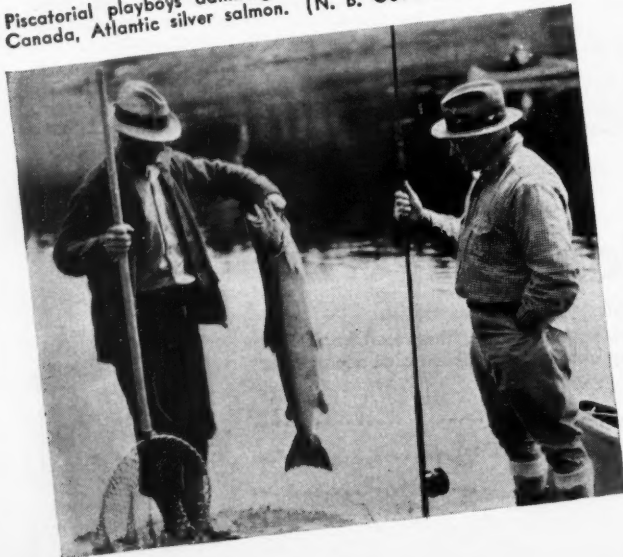
Nippon's excellent version of Beauty and the Beast. (Dollar S.S. Line)



Alaska offers matchless scenery. There are hundreds of jade lakes such as this one above. (Alaska Steamship Company photo.) Below is an interesting sight in Japan—a fishmonger, happy and healthy despite her age. (American Line photo.) At the bottom, right, note the neatness and cleanliness of a home in Nippon. (Nippon Yusen Kaisha photo.)



Piscatorial playboys admiring their catch of New Brunswick, Canada, Atlantic silver salmon. (N. B. Gov't Bureau photo.)







TRAVEL DEPARTMENT by HARRY PRICE

A RARE SIGHT—MAIL, EXPRESS, AND PASSENGERS BOARDING THE FAMOUS TWA "SKYCHIEF" FOR A TRANSCONTINENTAL TRIP

# AMERICA ON THE WING

**A**IR LINES and travel bureaux this year for the first time are offering special all-expense and featured air vacation tours, ranging from two days to as long as the traveler has time for. Air lines discovered last year that there is a market for vacation travel. Previously they had confined their sales efforts primarily to development of business travel, but this year there is an aggressive drive on to attract the vacationist to the air lanes and the appeal is to leave later, stay longer, and get home earlier.

It is the belief of air line executives that planes can attract a new type of traveler and not necessarily subtract them from other forms of transportation, as there are many vacation spots not now visited by people from distant points merely because of the time element involved.

An example is United Air Lines' announcement that on June 20 last a service was inaugurated whereby passengers could leave Boston, New York, Washington, Philadelphia, Cleveland, or Detroit at the close of the business day, and Chicago after dinner, and have breakfast at Old Faithful Inn in Yellowstone Park. They can take the two or three-day regular stage tours around the park or, if pressed for time, can board another plane at the West Yellowstone Airport and enjoy a 150-mile aerial cruise over the entire park area.

This trip affords a sight of the majestic Grand Teton mountains; several geyser basins including Old Faithful; and breathtaking views of

the Grand Canyon of the Yellowstone with its gorgeously colored walls framing the spectacular Yellowstone waterfalls. You look down on 3400 square miles of geysers, boiling pools, waterfalls, lakes, and all the weird phenomena of the nation's best known playground.

The speed and convenience of air transportation for vacation travel generally is proved by the fact that passengers who leave points as distant as New York can interrupt their trip on United Air Lines at Salt Lake City and take only seven hours to fly to Yellowstone Park and over it and back to Salt Lake, where they resume their trip to the coast; which gives you some idea of things to come!

Another proof of the new drive of the air lines for vacation travel is United Air Lines' announcement that for the first time travelers can enjoy the gorgeous sight of Zion National Park in Utah from the air. Coast-to-Coast passengers are routed directly over this brilliantly colored canyon and also over the adjacent Cedar Breaks National Monument, gigantic natural amphitheater filled with strange rock formations of amazing colors—an area now made completely accessible for the first time by the airplane, enabling passengers to understand why the Indians named it "Circle of Painted Cliffs."

In another hour, on this same trip, Los Angeles-bound passengers are

flown over Boulder Dam, man's biggest job, and over Mead Lake, the world's largest man-made reservoir. Stop-overs are allowed at Las Vegas, Nevada, for inspection of the dam, a boat trip on the lake, and into the Grand Canyon with special aerial tours over the canyon.

Thus, within the space of a few hours, the traveler on United Air Lines' mid-continent airway can see such internationally famous spots as Yellowstone Park, Great Salt Lake, Zion National Park, Cedar Breaks, Boulder Dam, and Grand Canyon.

There is also airplane service for the vacationist who wishes to visit the following parks: Yosemite National Park, reached from the airports at San Francisco or Fresno; Rainier National Park, reached from Seattle or Tacoma; Rocky Mountain National Park,

through Denver or Colorado Springs; Sequoia and General Grant National Parks, from Fresno; Crater Lake National Park, from Medford; the Black Hills from Omaha or Cheyenne, and the dude ranches from Denver to the California ports.

Another appeal of the air lines is on behalf of the combination plane-steamer vacation to Hawaii, the steamers meeting planes at Los Angeles, San Francisco, and Vancouver, B.C. Also, travelers contemplating an Alaskan tour are urged to fly to Seattle or Vancouver for steamers

(Continued on page 66)

## VACATIONISTS

### TAKE TO THE AIR FOR NEW TRAVEL THRILLS

# THE LITERARY LANDSCAPE

## GONE WITH THE WIND

By Margaret Mitchell  
Macmillan, \$3

Margaret Mitchell's magnificent story of the Civil War and the Reconstruction period in and around Atlanta, her native town, seems to me by far the best novel of the most dramatic period in our history. And this is not forgetting the excellent qualities of other works—notably Stark Young's "So Red the Rose", which has the qualities of a classic. Anyone in search of a summer's reading in fiction could do no better than to invest in "Gone With the Wind."

It is a book that has long wanted doing, this honest, complete, detailed, and accurate narrative that runs to 1036 pages of small type. One hears that Miss Mitchell spent seven years at the job, and the evidence of her thorough work is in every page.

A newcomer to the literary world, she has to a striking degree all the talents that a writer of fiction should possess—except one, which is style. She does not write with distinction; but she can make people live in the printed page, she can show the orderly and reasonable development of character, she can keep her story marching, and she can, and does, go much farther toward an explanation of that whole section than anyone else has ever done.

Her book is written with the clear realism that belongs to women writers of intelligence. A male reviewer ought, I suppose, to be embarrassed to admit it, but I doubt that any man will ever handle this particular period as well as Miss Mitchell at her first trial.

The central character is a girl named Scarlett O'Hara, daughter of an Irishman and a Coast aristocrat, who inherits ruthlessness of character from her father that proves useful in a war-torn period. Scarlett is never bothered by scruples, but she has strength, and her courage and determination help her through the stormy days of Reconstruction. She goes up where weaker or more idealistic characters go down; and this is the central theme of the story, although there are many others of importance.

"Gone With the Wind" is filled with drama and excitement, and peopled with all sorts of characters, white and colored, every one vividly done. It is also quite definitely a contribution to the literature of the American past, with permanent value, although it is Miss Mitchell's first novel. It will have a wide sale on the basis of its merits, and I shall be surprised if people do not go on reading it with advantage for some years to come.

## WHOSE CONSTITUTION?

An Inquiry into the General Welfare

By Henry A. Wallace  
Reynal and Hitchcock, \$1

President Roosevelt's Secretary of Agriculture examines the bases of our government, and writing in calm, reasonable fashion tries to reach conclusions about our future that will square with American ideals.

As is inevitable, his remedies for what is wrong are less definite than his restatement of fundamental principles; and there is no doubt that any Marxist would think him wholly naïve in his belief that under capitalism we can still work our way out by a kind of eighteenth-century rationalism and tolerance.

So clear and intelligent a statement of liberal principle has its importance in a red-hot political campaign. In fact, as some one else has said of the book, if it be campaign literature we wish that all such reading matter had its qualities of reasonableness and sanity.

## PHILIPPINE INDEPENDENCE

By Grayson L. Kirk  
Farrar and Rinehart, \$2.50

## COMMONWEALTH of the PHILIPPINES

By George A. Malcolm  
Appleton-Century, \$2.50

Mr. Kirk is convinced that nothing but disaster can follow autonomy for



ASASNO

MARGARET MITCHELL SPENT SEVEN YEARS ON "GONE WITH THE WIND", A STORY OF CIVIL WAR AND RECONSTRUCTION AND THIS SUMMER'S BEST PIECE OF FICTION

the Philippines. He tells some remarkable stories with a direct bearing on the independence movement and offers a well-informed, if wholly gloomy, prophecy for the future. It is plain that even if idealism had governed our actions toward the islands there would still be serious problems to solve, and they are all presented by our Mr. Kirk.

Mr. Malcolm contents himself with giving many facts and figures which demonstrate the vast natural resources of the territory. His book is less alarming than Mr. Kirk's and in many respects more informative, although not nearly so readable.

## THE JEWS OF GERMANY

By Marvin Lowenthal  
Longmans, Green, \$3

In a scholarly, well written, and interesting book, Mr. Lowenthal traces the course of Jewish history from the earliest days—for the Jews were in Germany long before the Germans—down to the most terrible persecution of all under Hitler.

The book is filled with the usual paradoxes of human history, observed by the author without heat and without sign of weighting the scales. Due emphasis is giving to the hopeless plight of one million Jews who cannot leave Germany under the Nazi laws and who are not allowed to earn a living. Their obvious alternative is starvation, which is what Mr. Lowenthal predicts unless something can be done quite promptly to change the situation.

Any person interested in anti-semitism as a manifestation of one of the human race's most dreadful characteristics will find this volume filled with sound information, all the more moving because of the author's fairness and sense of justice. It is a most timely book.

## EUROPE AND THE EUROPEANS

By Count Carlo Sforza  
Bobbs-Merrill, \$3.75

A distinguished student presents a more optimistic picture of the situation on the Continent than is current among either trained observers or men in the streets. The Count is over-Italian in his point of view, and over-idealistic—especially in the hope he places upon that wrecked peace machine at Geneva. But his book is interesting because of its outstanding personalities, well sketched. It strikes a clear note of optimism in the general funeral march of the times.

## THE TUMULT AND THE SHOUTING

By George Slocombe  
Macmillan, \$3.50

Mr. Slocombe is a peripatetic newspaperman with a beard, who at the ripe old age of forty-two has sat down to write his reminiscences. He has known pretty nearly everybody, from Mussolini and Hitler up, but the people he liked best were the leaders of the group of American exiles who used to eat peanuts and drink bock at the Dome and the Select in Paris.

It was about a thousand years ago, or so it seems to me (and I was there), but Mr. Slocombe brings it all back sharply and delightfully. He is an excellent journalist and his book makes pleasant reading.

## LISTEN FOR A LONESOME DRUM

By Carl Carmer  
Farrar and Rinehart, \$3

Mr. Carmer, skilful legend-collector and reporter, has done for New York State what he did for Alabama in "Stars Fell on Alabama". His book will prove a revelation to people who think that New York State extends only as far north as Westchester County. It is, on the contrary, quite large in area and filled with delightful stories. This is an entertaining book, crammed with raw material for fiction, generously ladled out.

## GREEN MOUNTAINS TO SIERRAS

By Zephine Humphrey  
Dutton, \$2.50

One of our most charming essayists has written a delightful account of a wanderyear spent with her painter husband. They decided to invest the Vermont winter cold money in gasoline, saw a large part of the United States, and liked it. Having done the same thing I can say that there is no better way to learn to be a better American.

Mrs. Humphrey has set down her impressions in lovely prose with the expected mystical tinge. She thinks we may in time learn to be as wise as the Indians we chased off their lands, and I hope that she is right.

## FACTS AND FRAUDS IN WOMEN'S HYGIENE

By Rachel Lynn Palmer  
and Sarah K. Greenberg  
Vanguard, \$2

Another of the useful exposures of dangerous drugs in common use speaks out on the subject of proprietary medicines, of the variety that has supplanted the old "patent" kind but are really a great deal more dangerous.

This movement to protect the consumer from wasting his money, and from serious or even fatal injury, has already had a salutary effect, but much is left to be done. The authors think that government clinics will solve the problem. The real hope lies in better education for the public, and to this end the present volume is a notable contribution. It is well deserving of study.

## SAN FELICE

By Vincent Sheean  
Doubleday, Doran, \$2.50

Vincent Sheean's "San Felice" is guaranteed an audience by the tremendous interest in the author's autobiography, "Personal History". It is an historical novel of the Naples of 1799. There is a thesis in it for those who care to look into it, but somehow the author's honest craftsmanship keeps him from writing revolutionary propaganda.

The heroine, from whom the book takes its title, is a dud, beautiful but dumb, and never at all interesting. But the whole picture of a stormy time, with Nelson and Lady Hamilton moving through turbulent scenes, is unusually good. Mr. Sheean proves himself a fine novelist, and one may expect to hear a lot from him in the future.

## SALAR THE SALMON

By Henry Williamson  
Little Brown, \$2.50

## BIRDS IN THE WILDERNESS

By George Miksch Sutton  
Macmillan, \$3.50

People who rediscover nature in the summer time, or who never forget that God made a world infinite in its interest, will enjoy Henry Williamson's carefully done story of the life of a fish, with a wealth of skilful observation delightfully set down, and "Birds in the Wilderness", by George Miksch Sutton, of which the subtitle is "The Adventures of an Ornithologist".

Mr. Sutton was a pupil of Fuertes, and is one of our best known painters of birds in addition to being Curator of Birds at Cornell. A scientist who writes well, his book is filled with valuable information on a subject that, to my way of thinking, cannot be beaten for inexhaustible excitement.

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# THE PROGRESS OF THE WORLD

BY ALBERT SHAW

## PERSONAL GOVERNMENT IN AMERICA

We have always supported in these editorial pages the hopeful doctrine that the citizens of the United States can be trusted to uphold the main features of their own tested forms of government. The constitutional framework has stood the test of time and change, and its further usefulness will not be seriously questioned in this year's campaign. This is true regardless of the fact that certain political theorists at Washington have had visions of a new dispensation, and have been allowed by a venturesome President and a subservient Congress to launch fantastic experiments on a broad scale at heavy cost.

These experiments were foredoomed to failure, and the boldest of them already seem like the fading memory of unpleasant dreams. To many harassed people things as recent as Blue Eagle regimentation under NRA, and the Potato Act under AAA, seem far away from realities. They belong to the record of delusions, like the contagious propaganda that frightened America into the notion that we must make war in the heart of Europe, in order thus to bring security with honor to ourselves, and perpetual peace to the peoples of the other continents.

The war-time use of our resources had been abnormal, under government direction and control. We could not permanently maintain industry and agriculture as stimulated to meet trans-Atlantic demands. The war had left Europe essentially bankrupt. We continued vainly to pour out further resources of money and materials to support countries that were too badly shattered in moral character and self-respect to make even scanty returns of gratitude and good-will.

### BORROWING IDEAS FROM TROUBLED EUROPE

Repudiating external obligations, various European countries adopted narrow policies that suppressed liberty and glorified nationalism based upon force and authority. European ideas of remedy for economic and social disaster through centralized autocracy were drifting to this country. We were using the leadership of the federal government to relieve a bank panic. This was a task to be performed almost instantly by anyone who could exercise undisputed authority. It is not strange, when that feat was achieved with so little delay, that the argument by analogy should have been advanced from all directions. It had been found easy to stop

hoarding and open the banks by the simple transfer of power to one man. Why, then, should we hesitate to employ the same executive leadership for industrial and agricultural readjustment?

Unquestionably it was believed by the Administration and many of its advisers that business would respond quickly, unemployment disappear rapidly, and farm conditions return to normal, if certain programs could be put into effect with unlimited authority delegated to Mr. Roosevelt. These powers were freely granted, and boldly exercised. Experience, however, soon showed that business and agriculture in this country were too varied, too complicated, too immense in volume and too extended in the climatic and geographical sense, to be brought under control of a bureaucratic system at Washington.

### EXECUTIVE MANDATE PROVES UNPOPULAR

It was not court decisions alone that brought these experiments to an end. For the most part they were attempted in good faith, and administered with honesty by theoretically intelligent novices. But within a short time it became plainly evident that Americans could deal with their own affairs far more wisely than the federal government could manage for them by imposing codes and systems. The courts were compelled to remind the Executive and the abdicating Congressmen that the federal government had never been set up as an instrumentality for controlling industrial prices and wages, or for regulating the processes of agriculture. But failure had been conspicuous even before the courts could pass finally upon the unconstitutional exercise of government functions.

When Congress was elected in 1934, the new type of government by executive mandate had not wholly demonstrated its utter inability to achieve expected results. The country was still willing to have experiments tried, in the hope of speeding up employment and restoring prosperity. But if the Congressional elections had been held in 1935 instead of 1934, the Seventy-fourth Congress would certainly have shown a different spirit and temper. It could no longer be said in 1935 that a unified country was behind the President and the new bureaus, and supporting the constantly enlarging areas of personal government.

Above all else the country was showing its dissatisfaction with results obtained by the placing of

relief funds on an unprecedented scale at the sole disposal of the Chief Executive. This scheme of federal relief seems to have been carried on in clear defiance of any careful plan for avoiding such dangers and abuses as are too obvious to be denied. It has contributed more than any other one thing to the enormous expansion of the public debt, while also furnishing an excuse for new burdens of taxation. We are not prepared to believe that a helter-skelter, hand-to-mouth distribution of relief money by the billions of dollars can stand any test of analysis and criticism. Congress ended its session with the further appropriation of almost a billion and a half, to be handled by the WPA, without restraint upon over-night whims under campaign pressure on the part of necessitous politicians. Federal relief as thus administered had become nothing less than a racket, of colossal dimensions, in the hands of politicians, and of a greedy army of spoils-men wearing the hypocritical garb of "social workers."

## RAISING THE MONEY TO SPEND

At the beginning of the new fiscal year on July 1, the Secretary of the Treasury made financial statements that placed the present national indebtedness at about thirty-four billion dollars. For the long period of thirty years before we entered the World War the national debt had been almost stationary, at only a little more than one billion dollars. It could have been paid off; but for well-known reasons (relating in part to our national banking system) it was convenient to have a limited amount of long-time United States securities outstanding. The debt was more than doubled in 1917 as we were entering the War, but was below three billions.

In 1918 the aggregate indebtedness was more than twelve billions. In 1919 it was about twenty-five and a half billions, and had reached the war-time peak.



ACME

J. R. McCarl, retiring Comptroller General, calls New Deal agencies tax-consuming beyond reasonable needs

A policy of debt reduction began with 1920, and was continued at an average rate of almost a billion dollars a year, until in 1930 the gross sum in round figures was down to sixteen billions. And this included the billions due from European governments.

### ARE AMERICAN RESOURCES INEXHAUSTIBLE?

Then began the debt increases that reflected efforts such as those of the Farm Board and the Reconstruction Finance Corporation to "prime the pump" of our languishing economic system. As of June 30, 1931, the debt in round figures was \$16,801,000,000. The corresponding figure for 1932 was \$19,487,000,000. With rapid advances the total was increased until the figure for 1935 was \$28,700,000,000; and for the corresponding date this year the gross debt as figured up by Treasury accountants was \$33,778,543,493.73. The year's expenditures were \$8,879,798,257, and revenue receipts totalled \$4,115,656,615.

At the end of the Civil War the total debt was only about two and a half billions; but because of our comparatively small population the per capita average was as high as seventy-seven dollars. During the administrations of Theodore Roosevelt and William H. Taft the per capita debt averaged only thirteen dollars. In Wilson's first administration it was about twelve dollars, but during his second term it had increased twenty-fold by reason of our European adventures. Under Franklin D. Roosevelt's policies the per capita debt is now about the same as it was when it reached the highest war-time point in 1919.

When the country gave its verdict for the Democrats in 1932 the public debt was growing considerably, although much of the increase was represented by recoverable items, such as advances made to solvent business by the RFC. The Democrats in that campaign harangued most violently against the current growth of expenditure and governmental debt. They gave the country unconditional pledges to cut ordinary costs by twenty-five per cent, to balance the budget, and to stop the growth of indebtedness. No speaker was more emphatic in discussing the dangers of increased government expenditure than Franklin D. Roosevelt himself.

The present administration has finally adopted the comfortable view that our American resources are inexhaustible; that we can continue to pay for the most expensive government in the history of the world; and that we ought to be thankful for all the benefits that are conferred upon us.

### BEWILDERED BY NEW DEAL PERFORMANCES

To state the financial situation in tones of sharp reproof or gloomy prophecies would serve no purpose. To make the figures appear any worse than the facts warrant is to be merely discouraging, and not helpful. The true balance sheet of the "New Deal" will remain in dispute for many years to come. The government's abrupt performances seem (to some bewildered citizens trying to use their memories) like nothing so much as a swiftly turning kaleidoscope, or like the magical changes produced by photography in certain "animated cartoon" movies.

It is hardly possible to believe that there will ever be open to citizens a record in detail of the "projects" and transactions that have been undertaken in the name of federal relief. When will the public know



ACME

**Secretary Henry Morgenthau reassures the government's stockholders regarding a 34 billion dollar debt.**

the full truth about the earlier AAA programs, or about the actual beneficiaries of the processing taxes on everybody's food and clothing that were collected for the alleged benefit of farmers? Who will ever know the individual histories of the hundreds of codes, with their various applications, during the brief period when Gen. Johnson's NRA was in overshadowing control of the government, and when NRA was assuming authority over the private conduct of more than a hundred million people?

#### **MONEY FOR BUREAUCRATIC BENEVOLENCE**

These things, and countless others, have simply been ramifications of a new plan of centralized management, borrowed from Europe or Japan or Turkey. The American version of personal government has been that of a rescuing messiah. It has reached out, with healing in its wings, to all who have troubles and perplexities (except employers, tax-payers and property-holders).

Yet this novel assumption that politicians in the District of Columbia, holding office for short terms, could transform American life by setting up a regime of unlimited paternalism, was no concern of the Treasury Department. It was not Mr. Morgenthau's business to discuss policies, or to argue about the motives and objects of government expenditure. He could be proud of his continuing ability to borrow money at extremely low rates, and to provide the funds for the glowing missionaries of bureaucracy. Their task? To spread the good news, and scatter something more substantial than "seeds of kindness" to voters who could appreciate a generous government. Morgenthau's task? To uphold their sympathetic bestowals, and to pay their bills out of his successful borrowings.

With its control of the Federal Reserve system and its large holdings of preferred stock in banks throughout the country, the government finds itself in position to use the money of private depositors in unprecedented amounts at nominal rates. When

central governments, anywhere are (1) in control of systems of national credit, and (2) are spending much more than their normal revenues, they can find means by which to cover their excessive outlays with deceptive smoothness, ease and avoidance of usury. They can handily exchange promissory notes for the money in large banks that belongs to the accounts of business people. Under these circumstances, banks cannot invite deposits by paying interest on balances. In a roundabout fashion borrowing governments levy taxes upon bank deposits. They make it impossible for banks to earn normal dividends for their stockholders.

#### **LOW RATES FOR GOVERNMENT BORROWING**

On July 15 the announcement was made by the Board of Governors of the Federal Reserve System that after August 15 the banks over which that Board exercises control (most of the important banks of the country being connected with that system) would be required to increase the amount of their reserves by fifty per cent over the existing ratios. This was explained as having no purpose except to guard against future uses of idle bank funds that might promote unwise credit inflation. It was feared that so much money, available at low rates, might tempt banks to encourage a new era of stock-market speculation. It continues to be the Washington policy to keep money rates low and bank funds ample, so that the Treasury may not fail to float its loans and borrow money to advantage in its further operations. But these very operations, in the opinion of economic authorities, are the chief menace to monetary stability.

The Treasury expects to recover some of its outstanding advances to home-owners, banks and railroads, and possibly also a small part of its loans to states and cities. But these offsets to the public debt are not to be much counted upon in advance. The danger that thoughtful men perceive does not lie chiefly in the fact that the present public debt has reached the announced total of thirty-four billions. It lies rather in the unchecked momentum of an Executive government that seems to have abandoned all former conceptions of solvency.

#### **RESULTS OF CONTINUED EXTRAVAGANCE**

These doubts in conservative quarters cannot be made to worry the ordinary voter, though they are causing serious anxiety among responsible and intelligent people. When families have retained a scale of living that proves to be far beyond their available income during periods of depression, they must either cut their costs resolutely or borrow till they meet disaster, and then perchance go on the relief roll. But governments that have ceased to respect the working principle of a balanced budget have lost the moral capacity to reform their courses. They try to invent new ways of taxing the public, while refusing to cut down their expenditures.

Under such conditions we are likely to discover that the swarming missionaries of "relief" are more intent upon keeping their own jobs and emoluments than upon the welfare of the people. They become a worse infliction than droughts or insect plagues. It would be better in the end, though hard at the moment, for private citizens and localities to take



their own risks and through mutual help and cooperative methods to work their way out of economic difficulties. If business men, wage earners and farmers—all being in reality subject to the same economic principles—could escape from the heavy exactions of a government that preys upon them while it sets forth to relieve them with loud trumpeting and much ostentation, they might soon prosper together.

#### HENRY MORGENTHAU'S POKER GAME

The President, under authority of law, has reduced the gold content of the dollar by forty per cent. With all gold seized and impounded, it is calculated that devaluation has enriched the government by the sum of two billions. This amount is understood to be in Mr. Morgenthau's hands as a confidential stake, to be played against a more or less equivalent sum held by the fiscal agents of Great Britain. We are told that it is used in a sort of poker game, intended to baffle European speculators whose practice it has been to seek profit by promoting fluctuations in foreign exchange, and to make the dollar behave like a wobbling boat on the restless waves of the international money market.

Mr. Morgenthau says that this tidy reserve of two billions may some day be applied to a reduction of our national debt. But who knows when the chips can be swept off the poker table? Certainly our Dutchess County farmer, as Treasury head in the Cabinet of another Dutchess County farmer, has had amazing opportunities to acquire a financial education. But what could the "unknown governor of a prairie state" do if he were elected President, and found himself responsible for this game of the Dollar versus the Pound Sterling and the Franc? So far as we have been told, Mr. Morgenthau has not been unlucky enough to lose any part of his confidential fund. Neither have his winnings yet been disclosed. Less expert Republicans might not be so fortunate; furthermore, they might seriously doubt the validity and propriety of this game of chance, and might think it time to re-establish monetary standards.

Every student of the history of government finance knows that unbalanced budgets and constant borrowings must lead almost certainly to repudiation in some form. The more usual pathway is that flowery and pleasant one known as inflation.

## AN OBSOLETE VOTING SYSTEM

The framers of the Constitution, as every high-school boy knows, did not foresee the rise of parties, with the political machinery for selecting presidential candidates that has now been in use since Jackson's time, more than a hundred years ago. Having national characters like George Washington in mind as their model, the "framers" endeavored to provide a plan by virtue of which the choice would continue to fall upon some citizen as highly qualified in every way as could be found in the country.

It was not believed, as long ago as 1797, that a majority choice could ever be obtained by direct popular vote. Lacking parties, and also lacking any such means as a preliminary convention, the thirteen states would not be able to focus their preferences,

so as to reduce the situation to a choice between two rivals. The more obvious plan would have been to allow the president to be chosen by the two houses of Congress in joint session.

But the Convention of 1787 was deliberately creating an executive department that should function separately, as an equal and coordinate branch of the government. To allow Congress to select the president would have had a tendency to subordinate him to the legislative branch. Congress would have been likely to choose a popular member of one of its own chambers.

It was decided to add a touch of impressive dignity to the high office of president by referring the choice to a body of citizens selected for that one purpose. The presidential electors in each state were to be equal in number to the state's membership in the two houses of Congress. No congressman or federal officeholder could serve as an elector. The manner of choosing the electors was to be decided by the state legislatures. Having been duly chosen in their respective states, it was supposed that these small groups would communicate with one another, even though they were to vote separately in their own state capitals. Their votes were to be transmitted to Congress, to be counted in the House at an appointed time.

#### WHEN THE HOUSE ELECTED A PRESIDENT

If there was not a clear majority for any one candidate the House of Representatives (delegations from each state having a single vote) was to choose from among the five leading candidates. In 1824 electoral votes were cast for Andrew Jackson, John Quincy Adams, William H. Crawford and Henry Clay, Jackson having 99, Adams 84, Crawford 41 and Clay 37. By this time the number of states had increased from 13 to 24. On the first ballot in the House, Adams received the votes of 13 states and was declared elected. Seven states preferred Jackson and four voted for Crawford.

Ohio and Kentucky had given Henry Clay 30 of his 37 electoral votes; but in the House contest these two states transferred their strength to Adams, thus defeating Jackson. Henry Clay became Secretary of State in the Adams administration, but the accusation of a "deal" of any kind between the two had no foundation in fact.

This election of 1824 had several interesting consequences. It created dissatisfaction with the electoral system, and made it a dead letter. Instead of having the president chosen by the electors thenceforth the process was reversed. The electors were to be chosen as adherents to a party and its candidates. In 1824, although most of New York state's electors were for Adams, there were five for Crawford, four for Clay and one for Jackson. Maryland's electors were seven for Jackson, three for Adams, one for Crawford. Louisiana had given three to Jackson and two to Adams. The new state of Illinois had given two to Jackson and one to Adams.

There was no intention on the part of Andrew Jackson and his supporters to neglect any advantages that they might derive from a more skilful use of the electoral machinery. Several of the states in 1824 had clung to the method of having presidential electors chosen by the legislature. The tendency was



now in favor of their direct popular election. In 1828 as many as 18 of the 24 states chose their electors on general state tickets, this being the plan that is now universal. In Delaware and South Carolina the electors were still appointed by the legislature. In New York and Maine electors in 1828 were chosen separately in congressional districts, and two additional ones were afterwards chosen by the district members as a body.

#### THE DISTRICT SYSTEM OF CHOOSING ELECTORS

This was a matter of significance. Jackson secured 20 of New York's electors, while 16 adhered to Adams. Before the next election, however, New York state was induced to change its district system in favor of election on general ticket. Jackson was then running for his second term, with Clay as his opponent. Reapportionment had awarded New York 42 electoral votes. The popular vote in New York in 1832 had given Clay only about 13,000 less than Jackson. If the district system had been retained, the electoral vote would have been almost equally divided. Jackson might have had 22 and Clay 20; but the general ticket system gave Jackson the entire 42.

As time went on, it became plain enough that the electoral vote of New York—being larger than that of any other state—might prove the turning point in any closely contested presidential election. Frauds in New York City were repeatedly charged by Republicans against the Democratic boss control. Similar charges were made by Democrats against methods used by Republicans "up-state" to bring the farm vote to the polls. There were several presidential years in which the popular vote in the state of New York was almost exactly divided. It was always claimed by Republicans that Blaine would have been chosen president in 1884 but for ballot-box frauds amounting to a few hundred votes in a Coney Island precinct.

It has been unfortunate for the country that the district system of choosing electors was abandoned in New York 104 years ago. It should have been retained, and adopted by all the states, as against the present plan of choosing electors.

## LEHMAN CONSENTS TO RUN

The foregoing recital has not been made merely to recount events in our political history that have been generally forgotten. Our purpose has been to allow readers to look behind the scenes in order to grasp the significance of some current events.

All experienced politicians are aware that for the past year the Democrats have been concerned about changing sentiment in the East, and have been especially afraid of losing New York state. In several presidential elections a change of one vote in a hundred would have reversed the party plurality, given New York's electoral support to the other candidate, and affected the national result. As the years go on, the party complexion of New York state has not tended toward stability. The local situation is too often in conflict with the national party managements. Tammany Hall is not always a reliable factor. In some elections its voters do not sustain their

leaders' protestations of loyalty to the national Democratic ticket.

#### NEW YORK IN PRESIDENTIAL CONTESTS

President Roosevelt and Chairman Farley must look to the voters in the boroughs of the great metropolis in this year 1936. The question of another four-years' term for the New Deal is likely enough to turn upon the sentiment of these voters, who are still inclined to be clannish, tribal and personal in their preference for leaders.

Eight years ago Mr. Herbert Lehman, a modest but wealthy and influential partner in a New York City banking house controlled by the Lehman family, was placed upon the state Democratic ticket as nominee for lieutenant-governor. Alfred E. Smith headed the national ticket that year, having been nominated by Franklin Roosevelt in the famous "Happy Warrior" convention speech. Mr. Smith returned the compliment by so arranging the state ticket as to make Roosevelt the candidate for Governor, with Lehman next in line. It was not a lucky year for Al Smith himself, who lost his own state, along with a number of states of the so-called "Solid South". But although the Hoover electors carried the state of New York by a plurality of 103,000, the Democrats elected their state ticket by a slim margin.

#### WHAT MIGHT HAVE BEEN

It is not likely that many of the Democrats who joined in the enthusiastic ovation given to Governor Lehman at the recent Philadelphia convention were aware of the political history that lay behind that well-planned demonstration. If Mr. Roosevelt had not received an exceptionally heavy vote in certain assembly districts in New York City eight years ago, he would not have been elected Governor. It is asserted, probably with good reason, that it was Lehman's popularity (in a city that has many more than half a million Jewish voters) that carried the state ticket for the Democrats, while they lost the presidential ticket.

If Mr. Roosevelt had not been so fortunate as to be chosen Governor in that state election, it is not probable that he would have been the successful candidate for the presidency at the Chicago convention four years ago. Governor Ritchie of Maryland and Alfred E. Smith of New York would have been strongly supported. John N. Garner, with the delegations from Texas and California, would have been less readily sacrificed by the trading politicians. It is likely enough that Newton D. Baker of Ohio would have been chosen by the convention, as the most to be desired of possible "dark horses".

#### LEHMAN THE VOTE GETTER

Political history thus seems to lay the "New Deal" on Herbert Lehman's doorstep. Rumor spread widely last month that Mr. Lehman, as his culminating reward for having made the New Deal possible by lifting its creator into power on his sturdy shoulders, has been set apart as the most suitable successor. But "planning" has its uncertainties. If Farley's claims are supported by the voters, the nominee in 1940 will not be Mr. Lehman but Mr. Roosevelt.

In 1930 New York state was Democratic by large majorities and Lehman was continued in the office

of lieutenant-governor for another two years, while Roosevelt was re-elected to the governorship. Without disparaging the industry or activity of the Governor, it may be remarked that Mr. Lehman during those years was carrying an unusually large share of the executive load. Mr. Roosevelt was enabled to find time for necessary attention to his physical recovery, while also free to plan with Mr. Howe and Mr. Farley for the control of the national convention of 1932. Under these circumstances Mr. Lehman's claim to the succession at Albany was beyond dispute.

When the votes were counted in November the Roosevelt electoral ticket had a plurality of 597,000. This was indeed a sweeping victory. But in the same voting booths on the same day a plurality of 849,000 was rolled up for Herbert Lehman as Governor. It so happened that the state of New York had given a full quarter-million more votes for Lehman than for Roosevelt. In 1934 Governor Lehman was elected for his second term by a plurality exceeding 800,000.

#### HOW COULD HE SAY "NO"?

After much consideration, Governor Lehman had decided that eight years was a long enough period for official residence at Albany. In May he made announcement of his fixed and final decision not to run for a third term as governor. There were many Democrats in New York who had aspirations either for themselves or for some political associate, and they acquiesced in Mr. Lehman's decision without expressing deep disappointment. They could understand how a citizen in such fortunate circumstances should wish to enjoy private life, as he was soon to round out three-score years.

But Mr. Farley is chairman of the New York state committee, as well as head of the national Democratic organization. He had come to the conclusion that Mr. Lehman—unsurpassed vote-getter—would have to sacrifice his personal preferences this year in the interest of the President and the New Deal. The demonstration at Philadelphia was accordingly executed in pursuance of a careful plan, and with brilliant success. It was immediately followed by sys-

**Going — going — going — gone! Governor Lehman of New York, Empire State's most potent vote getter, yields to the blandishments of Farley, Wagner, and Robinson**



PHOTOGRAPHS BY ACME

tematic pressure to induce Governor Lehman to change his mind. President Roosevelt's personal intervention and pleading secured the desired results. Mr. Lehman acquiesced. He will be nominated by acclamation for a third consecutive term as governor of the Empire State.

#### THE GOVERNOR'S FINANCIAL RECORD

This has been accounted a telling piece of political strategy; and the Democratic publicity machine, under Mr. Michelson's direction, has proclaimed it as a conclusive stroke. If the election in New York should prove to be closely contested, Lehman's popularity might suffice to win Democratic victory all along the line. That Mr. Lehman is well regarded as a citizen and an industrious Governor would be conceded by everybody. On the other hand it might not be so readily admitted that his efforts toward balancing the state's budget have been wisely directed. During the governorships of Mr. Roosevelt and Mr. Lehman state expenditures have greatly increased. Within the past year an enormous deficit (of about \$100,000,000) has been reduced by nearly half; but this has been accomplished by additional taxation rather than by curtailment of expenditures.

The calculated pressure brought to bear upon Governor Lehman to induce his change of mind did not indicate Democratic confidence. The announcement that he would sacrifice his private plans and preferences, and seek another term as Governor in order to help the Democratic party this year, is not wholly consistent with Farley's claims that Presi-

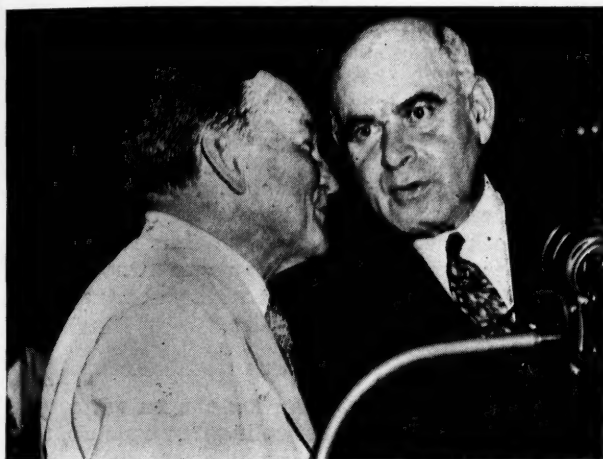


dent Roosevelt would easily carry New York state by more than 600,000 plurality over Governor Landon. The assumption that Governor Lehman's personal hold upon the voters would persuade them to vote for the New Deal, even against their better judgment, has not thus far impressed the public as substantial. Coming in June, more than four months before the election, the timing was ill-chosen for dramatic effect. The Republican state convention was not to be held until late in September; and Mr. Lehman would be posed during the long summer as a solitary mark for his critics.

Meanwhile, another badly timed bit of party strategy was launched, in the form of a slander to the effect that Governor Landon and his manager, Mr. Hamilton, had shown racial prejudices and were unfriendly to Jews. This calumny was sharply re-



futed, and without influence; but it showed the sort of campaign that the office-holders' racket is prepared to carry on. We have no voters who are more intelligent—if one chooses to think in terms of class or racial origin—than our American Jews, who rank so highly in the professions of education, law, medicine, journalism, literature, and the fine arts, and who are foremost in proportion to their numbers in the fields of finance and industry, and in the application of economic principles to business affairs. These men are not likely to enjoy the idea that they can be regimented as part of a racial voting mass by James Aloysius Farley. Even if they should choose to give their votes to the excellent Mr. Lehman for Governor, they do not have to be instructed in the matter of splitting party tickets.



A quarter of a million voters who preferred Lehman in 1932 did not choose to vote for Roosevelt. If the same relative difference should be maintained in 1936, Landon could carry New York by a Republican plurality of more than twice that of Hoover in 1928, while Lehman and his Democratic state ticket might still be elected by more than twice Franklin D. Roosevelt's plurality for governor in that same year.

But if it were a matter of selecting one financier and banker to run against another, the Republicans in September might choose to invite some former Democrat like James P. Warburg to head the state ticket. A move of this kind would be on a higher plane than ordinary party tactics. In contrast to machine politics, it would be an instance of sagacity and intelligence in a year when narrow partisanship ought to be at a discount.

## ECONOMIC ROYALISTS

In his speech of acceptance at Philadelphia, President Roosevelt showed no loss of facility as a phrase-maker. But it was an office-holders' convention that he was addressing, and it is an office-holders' campaign that Mr. Farley is carrying on. Inasmuch as he was speaking in Philadelphia, where the Declaration of Independence was promulgated in 1776, an analogy was suggested to the President's mind. Our Continental statesmen were proclaiming political liberty as against the exactions of His Royal Highness King George III. It occurred to Mr. Roosevelt to declare that now, 160 years later, he was leading



his followers in a struggle against a foe that he designated as "economic royalists".

The speech was wildly applauded by an immense outdoor audience, under the spell of an appealing voice and a masterpiece of rhetoric. The perfect broadcasting arrangements carried the oration to waiting multitudes throughout the length and breadth of the land. It was evident that the President's ringing defiance of these alleged enemies of our social well-being gave his valiant army the glowing sense of victory already achieved.

But if we are to follow our leader until November without losing something of the enthusiasm that he aroused in June, we must be told a little more about this arrogant enemy, entrenched in power and menacing our future safety and happiness. A number of weeks have elapsed, but the "economic royalists" have not been definitely located. Are they in our very midst (perchance attending the same church or the same ball-game with the rest of us) or are they digging in at Pittsburgh and Detroit? How can we smash them if we do not know who they are or where to find them?

### PRACTICE WHAT YOU PREACH

Mr. Roosevelt, indeed, seemed to be taking his chances rather carelessly after the war-cries of the week at Philadelphia had ceased to reverberate. He went to Virginia to aid in the dedication of the great woodland park area in the Blue Ridge Mountains overlooking the Shenandoah Valley. He made an address at Monticello—now preserved as a public monument in memory of Thomas Jefferson, who designed it as the beautiful and fitting home of a landed magnate. He went to Williamsburg to indicate his approval of a restoration project that is nearing completion, and that is bringing back to us the quaintness and charm of Virginia's colonial capital. Later in the month he returned to his own stately ancestral home on the Hudson, and then went for a leisurely vacation cruise with his sons, along the New England coast, regardless of "economic royalists" who might be lurking at Bar Harbor or Newport.

The restoration at Williamsburg is in consequence of the historical interest and munificent outlays of Mr. John D. Rockefeller, Jr. The preservation of Monticello as a public memorial has also been made possible by private wealth. Even such enterprises as the Appalachian forest preserves do not scorn the financial coöperation of people of large means.

Monticello looks down upon the beautiful grounds and buildings of the University of Virginia. That institution has the state's support, but it has also obtained large gifts from men of wealth, among them being Andrew Carnegie. For many years a president of the University, the late Dr. Alderman, as a trustee of the Rockefeller boards and foundations, helped to dispense great sums of money set aside for educational purposes. In July, through a period of two or three weeks, this University at Charlottesville each year becomes a forum for the free discussion of public affairs. It could not be said this year, as a series of noteworthy statements and arguments came to an end, that the predominant thought of Virginia would agree with the tone and purport of the President's speech.

#### THE PRESIDENT WOULD PENALIZE CAPITAL

Until we are better informed, we must assume that the President has adopted as the key to his future policies the doctrines that he set forth in his tax messages of 1935 and 1936. These messages accompanied the introduction of measures that were intended to break up private fortunes and to penalize the reinvestment of industrial savings in further productive effort. The drastic character of the House tax bill of the present year was modified by the Senate, in spite of the President's insistence. But Mr. Roosevelt's economic philosophy was not thus modified. The House bill accorded with his message.

Socialists are constructive in their theories, and Communists certainly would not destroy capital, or weaken the nation's instruments and mechanisms of production. Nor would they squander resources. They would merely transfer the control. But the Roosevelt policies would continue to lay heavy penalties upon the further growth and the efficient use of productive capital. The President's attempt to make some distinction between "static" wealth and "dynamic" wealth cannot survive analysis. His policies would dissipate both, even if his attempted distinction were valid. Until we are more precisely informed, we must understand that "economic royalists" are those who have a part in the ownership, control, and operation of our present system of production and distribution.

#### GOOD WAGES REQUIRE PROSPERITY

The New Deal methods bear no resemblance to the Russian system. In Russia, with self-denial but with clear purpose, the proletarian authority set about the creation of major industries. There was no private capital left after the revolution. The government made itself an agency for giving the Russian people some of the economic facilities that existed in Germany, France, England, and America. In Russia it is hoped that all the people may gradually acquire and enjoy the fruits of abundance. But whereas they are creating industrial wealth by policies at Moscow, we in America are destroying productive wealth by New Deal policies at Washington. Even Dr. Townsend's proposals are based upon a conception of abundant private production, and of close thrift in public expenditure.

While organized labor is professing ardent support of the New Deal ideas, it is in fact engaged in the process of levying political blackmail all the time

upon the present Administration. The labor leaders are also insatiate in their thirst for power, and are ready enough to trade the shadow of political support for the substance of government backing in their ambitious projects. They are not satisfied with collecting dues from three or four million wage earners. There are twenty or thirty million earners who are now free from the exactions and tyranny of the labor bosses, and who like their freedom.

These labor leaders have some able economists in their pay, and they take no stock whatever in the philosophy of the President's crusade against "economic royalists". They know enough to admire the inventive genius and the business enterprise that have given us our steel, automobile, rubber, textile, oil and other major industries. The labor leaders do not wish to disintegrate these splendid organizations or to cripple them in their capacity to produce more goods and employ more workmen. Mr. Green and Mr. Lewis are both aware that good wages can be paid only out of the prosperity of well-managed concerns. They do not desire to smash "economic royalists"—if that term is meant to strike at industrial leadership. In various industries the better and more permanent wage-earners are also stockholders, and they are firm friends and steadfast supporters of the management. All that the labor leaders want is the triumph of their own forms and types of organization.

#### STOCKHOLDERS HAVE THEIR TROUBLES

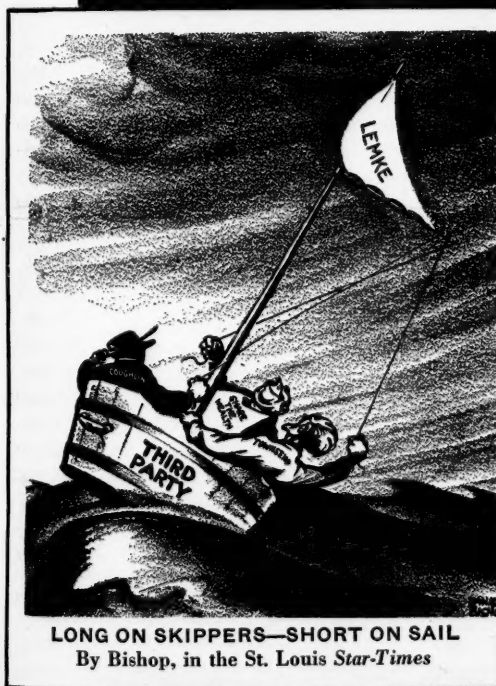
These controversies turn more upon facts than upon theories. We do not believe, for example, that Mr. Lewis and his organizers can capture the steel and automobile industries, simply because the essential facts are against them. These industries are doing as well as they can for the men they employ, and are giving the employees every possible opportunity to express their views and help improve the common lot. Neither Mr. Lewis nor Mr. Green is in a position at this time to terrorize employees in the great industries. Even with the backing of the President and Senator Wagner, and the aid of a number of meddlesome boards and bureaus at Washington, neither of the rival labor dictators can drive fortunate employees to quarrel with their jobs and their best friends.

Meanwhile, the stockholders would seem to be having the hardest time. Taxes and payrolls leave the industries barely enough net gain for replacement of obsolete machinery and necessary maintenance and development. No one is complaining about the generous pay-rolls; but everybody has a right to complain about the taxes. These are not only hard upon the stockholders: indirectly they eat into the household budgets of every wage-earner's family.

#### GOVERNOR LANDON TALKS COMMON SENSE

Making his acceptance talk at Topeka (July 23), Governor Landon impressed normal-minded citizens as a candidate who had been well chosen, on grounds of moral elevation, mental clarity, poised judgment, and physical stamina. He meets the urgency of the occasion in the view of those who demand a return to constitutional government. Skylarking has no place in Landon's conception of public business. He cares more for arithmetic than rhetoric.





# THE STEEL WORKER'S

**THE MOST** discussed and the least considered citizens, in the second half of 1936, are the 547,112 employees of the steel industry.

Steel workers are on the public mind for reasons various and grim; but chiefly because they are the shock troops, and their dominion is the chosen battle ground, of a great struggle for personal and political power. That they will soon be asked to give bitter and doubtless bloody allegiance to one of two hostile labor organizers is taken for granted, and the "trained observers" and practical prophets of Washington are concerned only with guessing the time, in the interests of those who may wish to sell steel securities short.

Mr. John Lewis, president of the United Mine Workers of America, and the head of a powerful minority in the American Federation of Labor, has marked the steel workers for his own and looks forward to their capture as an important step in advancing his plan for industrial or vertical unionization. The logical and final objective would appear to be a nation of closed shops, with himself in control. On his side of the argument are David Dubinsky, president of the International Ladies Garment Workers, and Sidney Hillman, head of the Amalgamated Clothing Workers. Opposed are William Green, president of the American Federation of Labor; and the tradition, as well as the bulk of the personnel, of unionized labor.

## IN STRENGTH, UNION

But the driving force and the sheer physical determination of Mr. Lewis have convinced the keenest of interested bystanders that he will probably succeed in becoming America's No. 1 union organizer; and his potential political power is already a heavy factor in official planning.

Through his ironically named Labor's Non-Partisan League, Lewis has contracted to deliver his present and future votes to President Roosevelt. Of most concern to the Administration is not whether there will be a steel strike, but whether the agitation which must precede it can be timed and engineered to help rather than embarrass the reelection campaign. Never, perhaps, even in the hysteria of war, have the for-

tunes of so many people been so complacently subordinated to the political ambitions of a single man.

Typical of the prevailing labor philosophy is the casualness of the business planning of the "one big Union." With a half million steel workers—all of whom, under closed shop operation, must be members of the union—the potential take in the form of dues amounts to a mighty sum. The drive for new members will probably be on a bargain rate basis, with dues of one to two dollars per month. A total of three million dollars per year, therefore, may reasonably be expected. And under the check-off system, dues would be deducted from pay checks, and turned over to the union by the company management.

Even the federal government has not essayed so direct and sure a method of collecting its taxes. Once in effect, it would be virtually impossible to abandon the check-off system, or to revise the scale of dues downward. Any minority party of working members who might wish to bring the matter under discussion would find themselves pitted against a securely entrenched inside organization; any member of Congress who attempted to initiate an investigation of dues and collection methods would be cutting his own political throat. And the organization receiving and disbursing these funds would not be subject to even the mild restraints of a corporation charter; greater in power than any official body tempted to ask it for an accounting; for all practical purposes, beyond the law.

Systematic and open-minded questioning and observation in the communities surrounding the steel mills have revealed little or no genuine urge to strike. The workers themselves, stimulated by the first flush of improved business, and earning men's wages again; their wives, many of whom remember the cost and the pain of other strikes; their sons, feeling the pride of first jobs; their neighbors in the steel towns—none of these want a strike. And none of us, including the 551,832 stockholders whom journalistic fashion compels us to ignore, can escape a share of the cost of a strike which shuts down the most basic and vital of our industries.

But the worker's present state of mind can be changed in a few weeks, by the skilful play of some elemental forces which labor organizers have well learned to use. And the personnel of the steel industry will presently come under the spell of articulate experts in mass psychology, exquisitely controlling an acceleration of hate.

## ON THE FENCE

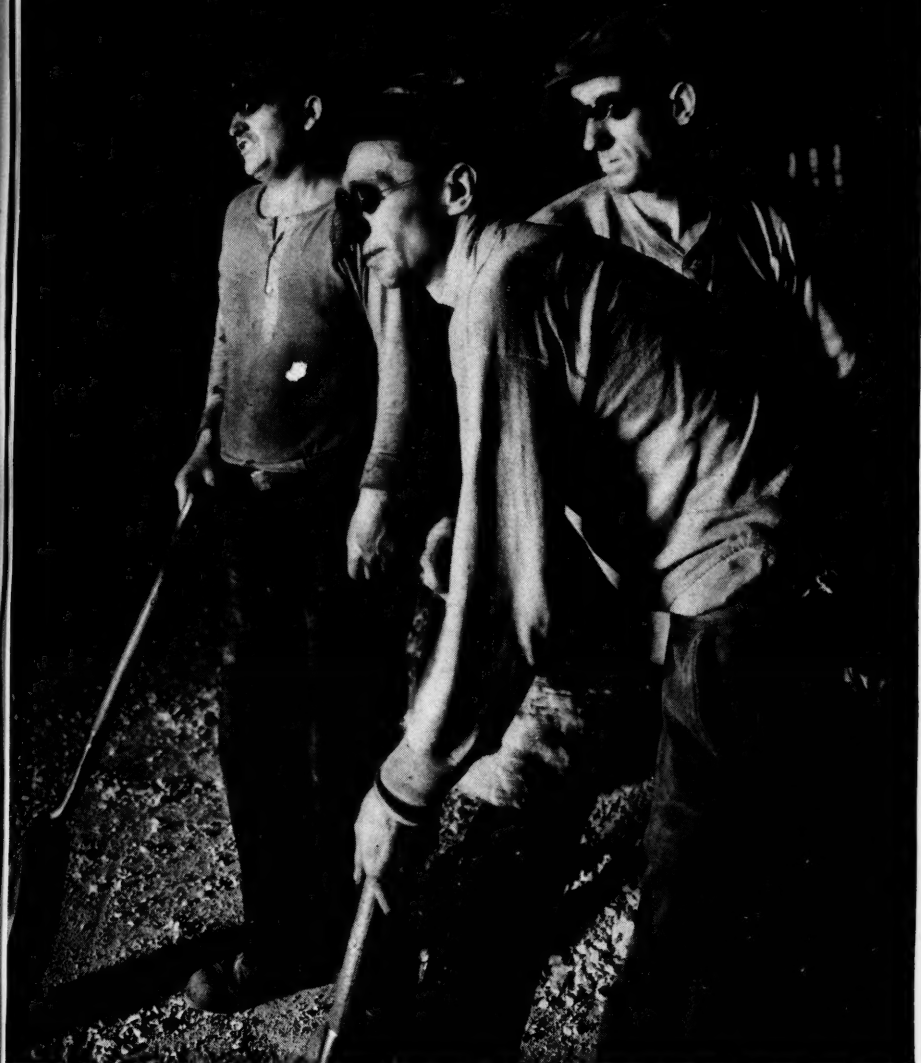
The technique of union organization has developed into a highly specialized profession. The successful first appeal is directed, not to the workers in the mass, but to an effective minority—often a very small minority—of zealous converts. The vast war-chests, built up from workers' dues, play an important part in this conversion. Seldom does a movement toward unionization win the spontaneous support of a large number; but the individual workman, still on the fence, still unfired by the consuming spark of class consciousness, or pondering, perhaps, the value of the promised rewards of unionization against the dues he must pay, is quickly led to feel that he is standing alone.

The still recent case of the Weirton Steel Company, and the records of the suit in equity brought against it by the United States, provide some extraordinarily pertinent evidence on the methods of agitation. In this proceeding, under the labor section of the Code of Fair Competition for the Iron and Steel Industry, the Government sought, among other things, to enjoin the company "from representing or holding out to its employees, or any of them, that the company dominated plan of this defendant is an effective means of collective bargaining."

An employees' representation plan, patterned on the older Bethlehem plan, had been adopted by Weirton employees and by the company in June of 1933. Representatives had been elected to deal with the management during the remainder of that year. These arrangements had been made before NRA.

Shortly after this, organizers from the Amalgamated Association of Iron, Steel and Tin Workers commenced a drive for membership in the union. Widely distributed circulars appealed to the workers in

# S DILEMMA BY DAVID PAGE



South Chicago Carnegie-Illinois Steel Corp., U. S. Steel Corp. Subsidiary

these terms: "Under the Industrial Recovery Act, the workers of the steel mills are CHALLENGED BY THE PRESIDENT OF THE UNITED STATES TO BECOME MEMBERS OF A LABOR ORGANIZATION. WILL YOU BE A SLACKER, or are you going to help him bring back the economic security of the steel workers?"

By the middle of September, three months afterward, 8,777 workmen, out of a total of approximately 13,000, had signed union pledge cards, and had paid all or part of the initial dues of \$3. The methods by which this sudden growth was achieved are suggested by extracts from the testimony of a number of workers, below:

Q. Was anything told you as to the necessity for your signing the card?

A. If I expected to work, I would have to sign a card and the charter would be closed and the dues raised shortly.

Q. Is that why you signed it?

A. Absolutely.

A. My reasons for joining the Amalgamated Association were that I was not financially able to pay a \$50 fee to get into it, and I could get into it for \$3; I could better afford to lose \$3 than I could \$50.

A. In the last part of August, I attended an open meeting of the Amalgamated, and they were discussing dues, and one thing and another, and they said that—it was brought up by a resolution, which was brought before the lodge, that they were going to close the charter right away,

and that anyone that had not paid in their dues up then, would be assessed \$50. The next day, coming down through the mill, Emil Walters, a fellow by the name of John Rawlins was coming down, and they says, "Tom, are you going to sign up?" I said, "I don't know, it looks like as if I am going to have to." John Rawlins said, "If you are not, your iron is not going to be sheared next week." I said, "What do you mean by that?" He said, "Practically every roller in the plant has signed up, and the majority of them—those rollers that are not signed up by next week are not going to have their iron sheared." "Well," I says, "In that case, then, it looks like I will have to." He said, "You certainly are." He says, "If you are not in on the line by next week, by next midnight," he said, "I am afraid you won't have your iron sheared."

Q. Were you dissatisfied with the employee representation plan at that time?

A. I was not.

Q. Was any statement made to you with respect to the recognition of the Amalgamated Association and what would happen if they came to you?

A. They said if the ones did not have a card and unrecognized, they would have no job.

Q. What did you understand by the phrase "recognition of the union" to mean?

A. That means closed shop.

Q. Why did you join the Amalgamated?

A. I was working there and there was a lot of agitation going around this way and that way, and they were right after me all the time because they figured if they could get me to join the Amalgamated, they would have a lot of my following to join, but nevertheless I was approached by a heater in the mill, Tom Buccy by name, and he said, "We have every roller in the mill now joined but you. It is up to you to join." I said, "Tom, I do not know. I belonged to it before and I know what it is and I do not think I will." He said, "Let me know be-



fore the turn is over." He came back in two heats' time, and said, "What are you going to do?" I said, "I do not know." He said, "Listen, Bill, if you do not join tonight," he says, "your iron will not be opened on Monday morning."

Q. What do you mean by that?

A. Well, my iron is my finished product. That is what I get paid for. I work on a tonnage basis, not only me but my crew.

Q. Well, when he said that your iron would not be opened, what did he mean?

A. He meant that the man that shears my iron and the three boys that open my iron would refuse to open it, because I was not a member of the union.

Q. You joined the Amalgamated Association?

A. I did.

Q. Why?

A. Because I was told that I would lose my job if I didn't.

A. I said, "No, I don't believe I want to join; I don't have any money to spend." I says, "I belong to one lodge." He said, "It is going to be a closed shop," and he said, "If you don't have a card, you won't be allowed to work," and he said, "You won't have any job." I said, "I don't want to lose my job; I got a family to keep; I want to work." He said, "You fill this card out," and I says, "All right."

Q. Was anything said to you as to what would happen if they got 51 per cent of the workers in the Amalgamated?

A. Yes, sir; they told me that the U. S. Government would be back of this A. A.

Q. What do you mean by the A. A.?

A. This Amalgamated Union.

Q. This Amalgamated Association?

A. Yes, sir. They said that when the President would get behind their back, it would bring all the boys home.

In late September the Weirton, West Virginia, plant of the company was the scene of a strike for recognition of the union. A small group of workers stationed at a mill entrance persuaded 39 men of the Tin Plate Cold Rolled Department to stay away from their jobs; the rest of the 91 in that department worked as usual. The following night the strikers entered the mill, and de-

manded that the 52 men who had worked the night before be discharged. This the shop foreman declined to do.

The men on strike then stationed themselves at the mill entrances, and urged workers in other departments not to work on the next shift. The movement spread rapidly, and presently there was a group of 300 to debate with other employees their right to work. By the fourth night operations had been affected to such a degree that the entire plant, with approximately 9,000 employees, was shut down.

The community surrounding the plant rang with contention between employees who wished to resume work and those who felt that recognition of the union was the paramount issue. Pickets turned back workmen who sought to enter the mills, and stoned, clubbed, and hooted the more determined. The fighting word "scab", itself an ugly weapon in a steel town, was freely plied; "goodwill" committees called at the homes of the workmen to threaten them and their families if they returned to work.

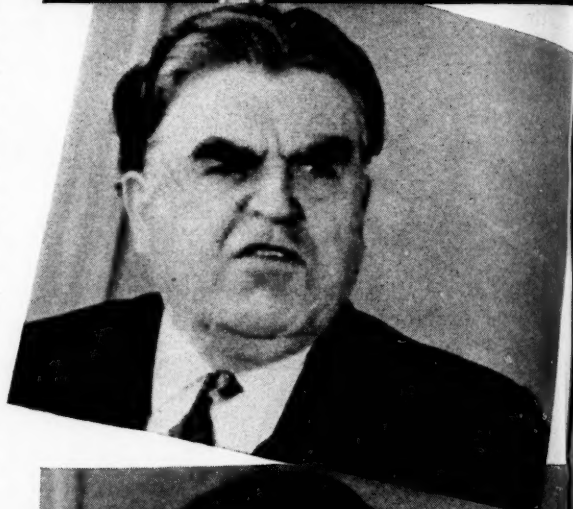
But in the third week affairs had subsided to a degree which made it possible to reopen the mills, and the controversy passed to the gentler hands and sharper tongues of the New Dealers. Some weeks passed, while the employees' representation plan was modified to meet the requirements of Senator Wagner and the National Labor Board. In De-

## JOHN L. LEWIS

The face that soon may launch a million New Deal votes. The czar in action



INTERNATIONAL NEWS



cember, the inimitable General Johnson cracked down on Mr. Weir with the following characteristic telegram:

"I am informed that, in breach of your agreement with the National Labor Board, and in overt defiance of your obligation under the Steel Code and Section 7A of the National

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Industrial Recovery Act, you will tomorrow hold a company-dominated election for the selection of representatives of your employees. I have endeavored without success to reach you on the telephone and was met by a refusal by your secretary to put me in touch with you . . . This is to advise you that in my opinion you are about to commit a deliberate violation of federal laws and that, if you do so, I shall request the Attorney General to proceed against you immediately. In the meantime I shall at once call an open hearing to determine whether your Blue Eagle should be withdrawn and whether you should be henceforth denied the privileges of the steel code."

In the subsequent court proceedings, one of the essential points was whether the employees' representation plan had actually served the interests of the workmen, or whether it had been dominated by the management of the company. Before the case was taken into the courts, Jack Larkin, a roller in the Weirton plant, and general chairman of the employees' representation plan, had defended its policy and operation.

"I resent our organization being called a 'company union.' It is no such thing in any sense of the word. The employees' representation plan has had no aid, financial or otherwise, from the company. It is solely a movement of the workers. I would not know E. T. Weir, the chairman of the board, if he walked into this office this minute. I never saw the man, so far as I know.

"If Mr. Weir made any agreement with the National Labor Board about the election, he had no right to do it. This election is the affair of the employees alone and we intend to keep it that way and we intend to keep it in accordance with the constitution and by-laws we have adopted."

Another employee, in testimony during the suit, had evidenced a similar spirit of independence from management's influence. "We started our Appeals Court off this year and we got all set to go with our Appeals Court, and down comes six company men, they were managers, and so forth, of the men, and we want to know what they was going to do, and they said they was going to vote and hold a meeting. We said, 'No, you fellows ain't gonna vote at all,' and we got the by-laws wrote up that no company representative can vote, and no representative can be in our meeting while we are voting. . . . They did not vote, and we run the show ourselves."

In the judge's summary it was noted that, "In all controversies between representatives and management the representatives were fearless and independent. This was fully borne out by their appearance and manner on the witness stand. . . . It is perfectly apparent that the employees of defendant have worked out a systematic procedure for adjusting their grievances and complaints with the management. It is equally apparent that the procedure is controlled by the employees and is in no way dominated by defendant."

A strong case can be made out for the systems of employee representation which, under the general title of "company union," have come under fire from official Washington and leaders of union labor. The title itself, in the case of an honestly conceived and administered plan, is a misnomer; no system can be truly said to represent employees unless

us nothing to buck prevailing sentiment. These movements in the direction of a wider area of collective action are absolutely inevitable and we don't propose to try to stop them. We intend to go along and by evidencing our sincerity of purpose keep matters from getting beyond the point of reasonable negotiation. Our managers, if they have any sense, will not wait for a list of grievances to be presented, but will get to the representatives when the matters first come up and before they reach a complaint stage. If we wait until their views are crystallized, the solution becomes more difficult."

It has been charged that plans promoted or encouraged by management have not been marked by high sincerity and liberality, that they have been characterized by a sort of enlightened expediency, anticipating and striving to avert more serious labor problems. Company plans, it has been asserted, are products of cold and calculating minds, and not of great big beating hearts. There is undoubtedly a great deal of truth in this; but is it not fairer to judge them by their works than by their ideals?

A survey of such plans in operation in 101 companies, covering 90% of all workers on steel company payrolls, shows a highly satisfactory record of performance. 15,600 questions taken up under representation plans have been settled in a peaceful and orderly manner. Of every hundred cases, 73 were settled in favor of the employees, 16 in favor of the companies, 6 were compromised, and 5 were withdrawn.

Mr. J. M. Larkin, vice president of the Bethlehem Steel Company, defines the purpose of employee representation as follows: "The underlying philosophy of the employee representation plans is that the best interests of labor can be served by having the employee and employer sit down together in a friendly and constructive atmosphere and, with a first-hand practical knowledge of their problems, work out a fair and equitable solution. Therein lies the strength of employee representation as contrasted with other forms of collective bargaining which seek to organize employees and employers into separate camps with drawn battle lines. This was the condition which existed in industry thirty years ago. It is a condition to which we must not revert."

The weakness of the representative plan, confined to a single company, is the difficulty of negotiating such matters as a general wage in-

## STEEL WAGES

Average annual wages, compared with those in other industries

| CENSUS YEAR | STEEL INDUSTRY | ALL OTHER INDUSTRIES |
|-------------|----------------|----------------------|
| 1919        | \$1707         | \$1136               |
| 1921        | 1394           | 1173                 |
| 1923        | 1640           | 1235                 |
| 1925        | 1651           | 1261                 |
| 1927        | 1653           | 1282                 |
| 1929        | 1742           | 1294                 |
| 1931        | 1286           | 1094                 |
| 1933        | 936            | 866                  |
| 1935        | 1184           | 1087                 |

the workers themselves feel, and exercise, full control of it. It is, then, a company plan only in the sense that it operates in the interest of all the employees of one company.

Management in the steel industry has shown, on the whole, a strong disposition to leave the shaping and the control of its employee representation plans in the hands of the workers. Plans, once adopted, have been freely amended and adjusted to changing circumstances.

Arthur H. Young, vice president of the United States Steel Corporation, has reflected one realistic attitude toward industrial representation by stating that "it would avail



crease. Yet such demands can be made, and won, under the representative plan, as happened with the Weirton Steel Company in 1934.

In this case the 49 employees' representatives demanded a general wage increase. Weir agreed to submit the demand to the executives of other steel companies, who refused to meet it. But the representatives pressed their demand, which was granted by the Weirton Company in the second month of negotiation. The final result was a general 10% increase throughout the industry.

The trend is clearly toward an extension of the representation plan, first to embrace all the subsidiaries of the bigger corporations, eventually all the workers in the industry, regardless of employer. Nobody expects such expansion to win an enthusiastic support from the management group, yet it would be considered infinitely preferable to "outside" unionization.

Organization on lines broader than the company plan would give the workers a far more effective threat of strike, in dealing with such issues as wages and hours; a power lacking in, and never intended to be supplied by, the company representative system. To this degree, it might appear that there would be little to choose between the union and the extended company plan, for either employee or employer.

Yet the chief arguments against

unionization which have been offered by steel executives would be met by an extension of the company plan. On the record, the objection to unionization is not directed at the principle of collective bargaining, but rather at the methods, the irresponsibility, and, specifically, the personnel of labor agitation and union organization. One of the most forthright expressions of opinion concerning labor unions yet made by a responsible steel executive is as follows: "I have had much experience with national labor unions, and as constituted, officered, and operated today peace in industry with them is impossible."

An industry-wide strike in steel is the evil most earnestly to be avoided, in the minds of employees as well as managers and owners. Such a strike, it is felt, might be "called;" but it is unlikely to be voted, as, in effect, it would have to be, under a company plan, or any extension of the company plan, which required a majority decision.

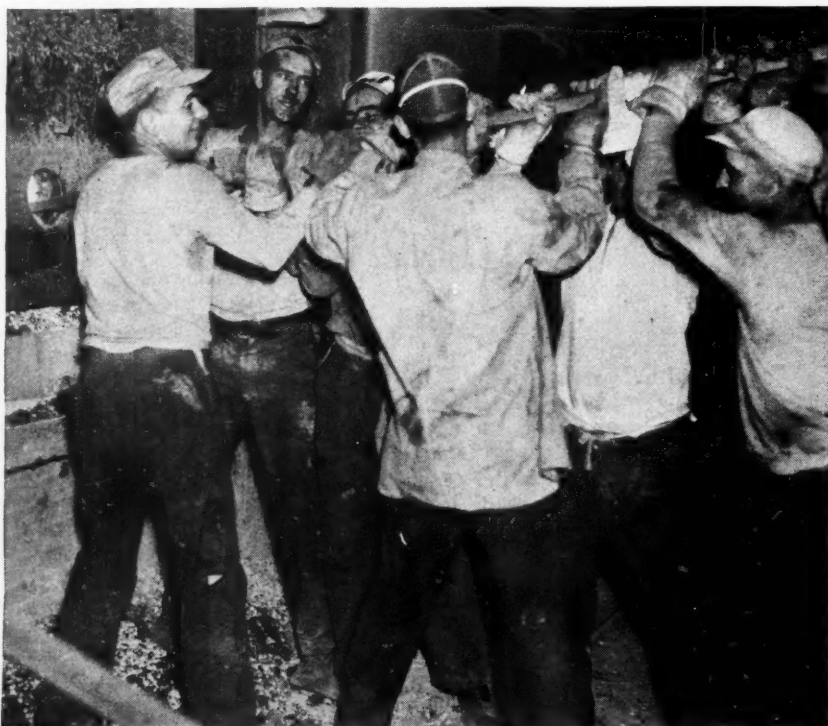
This relative stability of the steel workers, voicing their opinions through the orderly election of representatives, is in itself challenging to the aggressive and ambitious labor leader. He finds it stimulating and provocative, and he addresses himself to the task before him with the zest, and the unquestioned sincerity, of an evangelist entering a hall filled with complacent sinners.

It is precisely this contribution, and this approach to the problem, which the employer finds most disconcerting. He can, in fact, be pardoned for preferring to treat with his own employees, or even the most potent committee of employees representing the industry at large. And it is a fair question whether the interest of the workers is not better served, in the long run, by sober negotiations which they themselves have initiated, than by the slightly hop-headed crusading of professional labor leaders.

The exponents of traditional union organization too frequently find the routine of practical labor problems a narrowly restricted field for working out the broader political, economic, and social ideals which engage their minds. John Doe in the shop, paying his monthly union dues, or having them "checked off" by his employer, is often buying with them a measure of illusion. He is parting with his money, sometimes, because he has been put on the defensive; because he is afraid of losing, rather than seeking to better, his job; because he does not want to be called a scab; because he wants to go along with the boys, without giving much thought as to where, or how far. And his dues, with those of a few hundred thousand other John Does, help to support his union leaders with incomes ten or twenty times his own, to finance projects looking forward to the political campaign of 1940, to further ends so remote that he does not concern himself with them.

The issue as it confronts, or will presently confront, the worker in the steel industry, is not so simple as it has appeared to be in preliminary discussions. The question of horizontal against vertical unions, or craft versus industrial, has been largely decided by his own experience, under the company plans, with what is virtually the vertical or industrial form. The craft organization, as applied to his own industry, he rejected some years in the past, at a time when it appeared to offer him more than it can be made to offer now.

Nor is it merely a matter of choosing whether to "join up with the union," or "go along with the bosses." If he has the courage and the stamina which made up the fine tradition of his trade, if he can see his own values wisely and well, he will expand and improve the form of industrial democracy and self-government which already serves him. And in so doing he will advance the cause of all labor more truly than he could by alliance with or subservience to any organization or party.

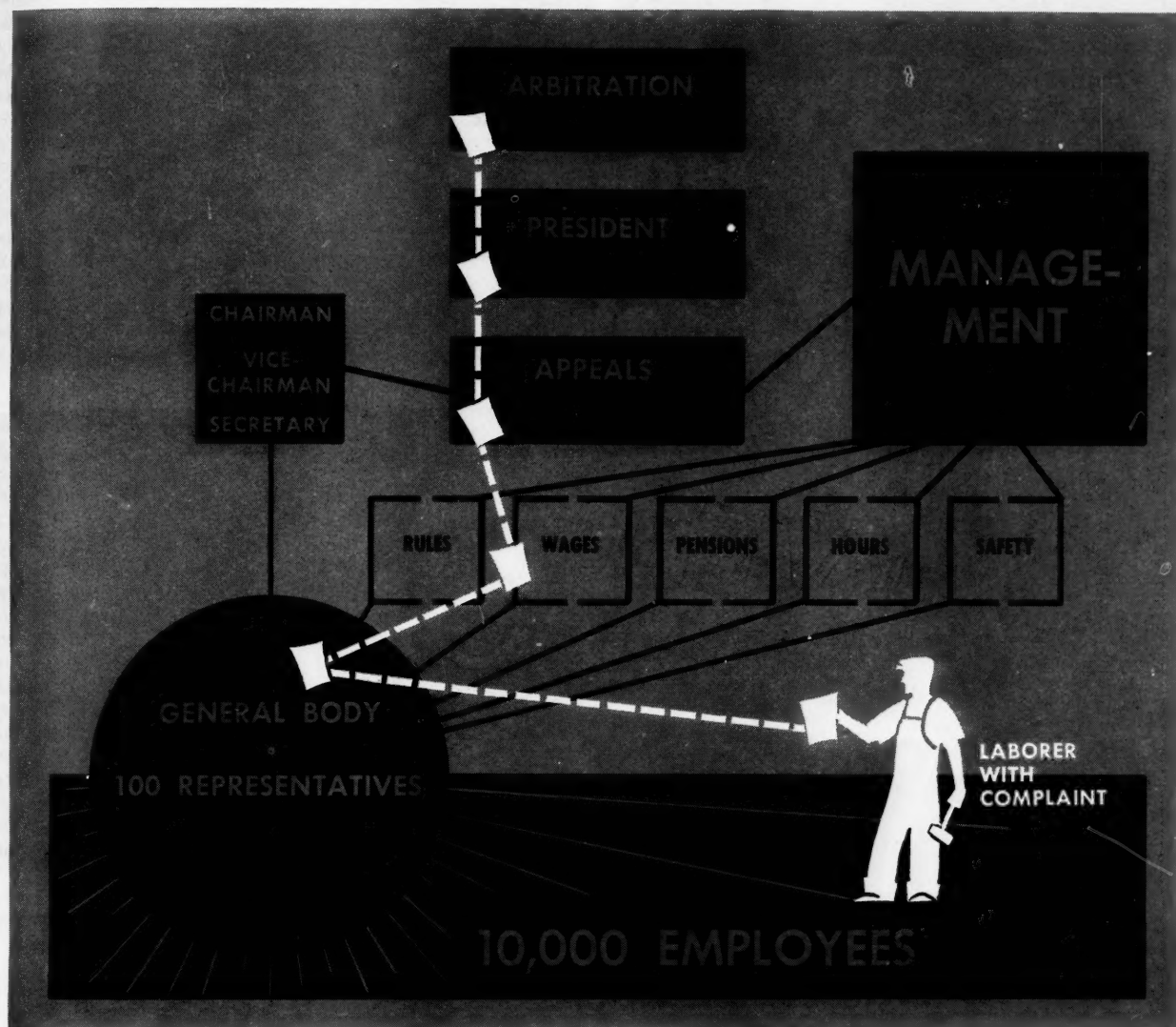


PICTURES, INC.

Much of the work in the mills is done by complex machinery, operated by a few men. But physical brawn and close teamwork still play their part



# HOW EMPLOYEES' REPRESENTATION WORKS



One of the earliest and most successful plans for employee representation was established eighteen years ago at the Bethlehem plant of the Bethlehem Steel Company. This plan, on which those of many other companies have been patterned, is illustrated by the diagram above, especially prepared by Review of Reviews.

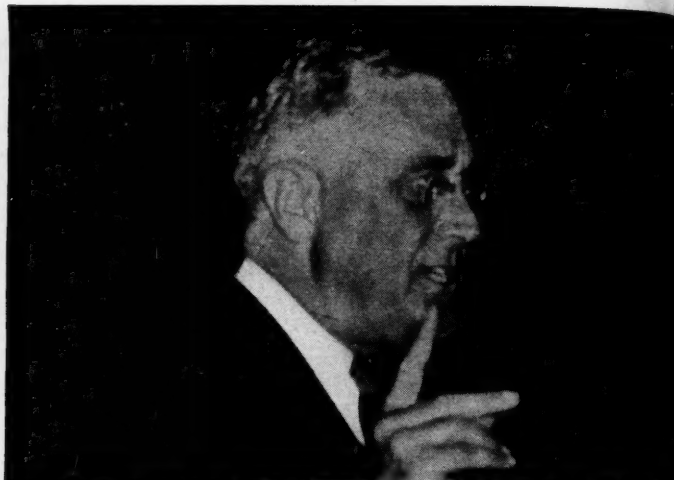
From the working force of approximately 10,000 people, representatives are elected, one for each hundred employees. Employees having the power of hiring or discharging are not eligible as voters or representatives; all others who have been with the company for more than sixty days may take part. In practice, ninety or more percent take part in the plan, vote by secret ballot at elections, which are run completely by themselves.

The elected representatives form the General Body, or parliamentary authority. From this group committees of five are selected by the worker-members to deal with such matters as wages, working conditions, sanitation and health programs, and so forth.

Corresponding committees of five are appointed by the management; and matters are taken up by joint committees, half labor, half management.

Most routine matters are settled quickly and simply by majority vote of the proper joint committees. In the event of dispute, problems are referred to a committee on appeals, similarly composed of five employees and five representatives of the management. Matters which cannot be satisfactorily settled on appeal are carried to the president of the company; and provision is made for arbitration on an appeal from his decision. In practice, only two cases, out of several thousand which have gone through the system, have gone beyond the appeals committee; both were settled, without arbitration, on review by the joint committees.

The independence of employee representatives is guaranteed by a "parliamentary immunity" provision under which the company agrees to be bound by the decision of the State Department of Labor, or the Secretary of Labor of the United States.



# ROOSEVELT AND LANDON

## A STUDY IN CONTRASTS By RAYMOND CLAPPER

*IN WHAT WAYS DO THEY DIFFER  
IN PERSONALITY, TEMPERAMENT,  
BACKGROUND, AND PHILOSOPHY?*

**SUPERFICIALLY** at least, this will be a campaign of contrasts. It would be hard to imagine two major party presidential candidates who upon first glance seem so utterly different from each other.


In appearance they are opposites. Roosevelt is large-framed. He has a bold face, with evenly chiselled, mobile features. It is a face that photographs well, and is never distorted from any angle. Photographers say that next to Ramsay MacDonald he is the most satisfactory camera subject in public life. A shot from any position is good. His easy smile lights up his face without distorting it. On the platform his muscular arms and shoulders

heighten the impression of large stature. As was always said about Harding, Roosevelt "looks like a President".


Landon does not make so striking an impression, either on the eye or on the camera. He is of medium height and build, perhaps a trifle short. From certain angles his face does not photograph strongly. There is a quality of ease and friendliness about him, which everyone feels, during quiet face-to-face conversation. But it does not always project itself across the platform or through the lens, sometimes seeming stiff and strained.

The contrast in radio voices and diction has been widely commented upon. In general bearing, Roosevelt has gay, easy confidence, with sometimes a touch of bravado; while Landon has quiet, unspectacular modesty. He is more difficult to photograph, harder to listen to, and much more elusive to write about than Roosevelt.

Similarly there is sharp contrast in the backgrounds of the two men. True, Roosevelt's father was in business. He was a vice-president of the Delaware and Hudson Railroad and a director in many other corporations. Yet at heart he was a country squire, most at home not in Wall Street but in the quiet retreat of the family seat at Hyde Park, among the 100-year-old hedges and the walls of the house which go back to colonial days. Father Lan-



**ROOSEVELT** photographs well from any angle. Next to Ramsay MacDonald he is the most satisfactory camera subject in public life..... He is impulsive and venturesome.



**LANDON** possesses a quality of ease and friendliness, but he is more difficult to photograph..... He is inclined to sit down and to count ten before he acts.

PHOTOGRAPHS BY ACME

don also was in business, but there was no family country seat to which he could retire. He pushed on, from Pennsylvania into Ohio and then to Kansas, following the lure of oil. Squire Roosevelt, senior, must have been a snorting Tory. But Father Landon was a Theodore Roosevelt Bull Mooser. Son Franklin went to Groton and Harvard, while Landon, five years younger, was going to public school and the state University of Kansas. One grew up in the shelter of a family tradition, the other was out on his own in a new country where each man is weighed by his own achievements.

But here, from these widely different beginnings, similarities begin to appear. Both studied law, Roosevelt at Columbia and Landon at the University of Kansas. Neither seemed much interested in active practice. Roosevelt turned to state politics. Landon, with politics in his blood, deferred his political career until he had built up a competence in the oil business. From the start both revealed a strong insurgent streak. Young Roosevelt lashed out against Tammany and stood in the New York legislature with the progressives. Landon followed his father into the Bull Moose party of Theodore Roosevelt. In the East, one was fighting entrenched control of politics, while in the Middle West the other was enlisted in a similar cause behind the Republican branch of the Roosevelt family.

The similarity of political strain between Roosevelt and Landon is somewhat obscured by the dissimilarities in their backgrounds and particularly in their traits of mind. Roosevelt is more flexible, more pliable, bolder, more venturesome, and considerably more impulsive. Landon, apparently as eager to receive advice as Roosevelt, is far less impulsive about acting upon it. He is more deliberate, and far more cautious. In this he is more like Coolidge. He is more inclined to let troubles work themselves out, to sit tight and ride through. Roosevelt must be doing. Landon leans more on Father Time, the great solvent of human woes.

Landon seems more rooted in certain points. Surrounded by Kansas members of Congress who voted for the Frazier-Lemke farm mortgage inflation bill, Landon exposed the Cleveland platform makers' evasion on the currency question and declared for a return as soon as possible to a currency convertible into gold. It is doubtful if Landon would have been daring enough to have tried out Professor Warren's gold price-juggling scheme.

Other manifestations of his cautious temperament are seen in his emphasis on budget-balancing in his proposal, written into the Cleveland platform, for revising the social security plan to eliminate the huge cash reserves contemplated under the Administration program. He would not, in either case, have



the Government evade any responsibility for feeding the unemployed and the destitute aged. But his emphasis is upon tighter management and away from the spending psychology. The differences here are differences of emphasis and of method rather than of purpose.

Generalizing for a moment, Roosevelt stands essentially for the principle of personal leadership. Conservatives call for a "government of laws" and place their confidence more in the automatic working of institutions than in the galvanizing force of individual leaders. The Republican party distinctly leans in that direction. Yet Landon was one of the early governors to support Roosevelt's request for broad discretionary powers in the crisis of 1933. He was not one, like Hoover or Colonel Knox, to recoil in horror from the New Deal.

On the monopoly question Roosevelt and Landon have arrived at pretty much the same point. Under NRA Roosevelt seemed to be encouraging large-scale enterprise. Anti-trust laws were waived. Trade associations, struggling for years in a somewhat fugitive status under the threat of anti-trust laws, emerged into full recognition and found themselves under NRA suddenly clothed with law-making powers which had been delegated to the President and by him to the trade associations.

The original theory was that, in return for fixing common standards as to wages and hours and working conditions, they should have power to prevent competitors from indulging in unfair trade practices and cut-throat competition. In operation this virtually placed the seal of federal approval upon combinations in restraint of trade, and competition was deliberately restricted.

But after the invalidation of NRA, and more particularly after Senator Borah forced the monopoly issue upon the attention of the public, Mr. Roosevelt began to swing more in the direction of protecting the little man. He has begun to strike at the steel companies by attacking their practice of submitting identical bids for government business. The Democratic platform plank, adopted at the suggestion of Roosevelt, is a paraphrase of the Republican plank which in turn was almost a verbatim copy of the Democratic anti-monopoly plank of 1912. Landon joined with Borah in putting this plank into the Cleveland platform.

While there is a good deal of hokum in the promise of any political party to do something about monopoly, for the simple reason that large-scale business has developed because circumstances give it greater survival power, nevertheless it is significant that both candidates stand on virtually identical ground in their campaign pledges.

Even on the question of amending the Constitution, to make possible government action with regard to labor relations, there is not such great difference between the positions of Roosevelt and Landon.

In his telegram to the Cleveland convention, Landon interpreted the platform and promised, if necessary, to advocate amendment to the constitution giving the states power to deal with wages and hours for women and children in industry.

The qualification as to the necessity for such

action results from the uncertainty still existing with regard to the New York minimum wage law. Although the Supreme Court invalidated the law in its recent decision, Justice Butler explained that the only question raised was whether the law involved the same principle as a previous law, the District of Columbia minimum wage law, which had been held unconstitutional in 1923. The court held that both laws rested upon the same principle, and since the first was invalidated the second also fell.

But some have read into Butler's opinion a suggestion that the court would be glad to reconsider its original decision if petitioned to do so. While rather obscure legal gymnastics seemed to be involved, until this question is cleared up there is a slight possibility that the court may find in favor of state power to legislate with regard to labor relations. To that extent, the necessity of a constitutional amendment concerning state powers in this field is not yet finally determined.

The Democratic platform goes somewhat further; it would also, if necessary, propose an amendment expanding the federal power over the twilight interstate-commerce zone in order to remove all possibility of a future development of some new no-man's-land between state and federal authority. Also, whereas Landon's proposal was limited specifically to wages and hours for women and children, the Democratic proposal was broadened to cover other industrial, social, and economic questions.

One other point ought to be emphasized in connection with the constitutional question. Not much attention has been directed to it, but the Republican platform recommends adoption of interstate compacts as a method of dealing with aspects of social and economic questions which concern more than one state. The point is a revealing one, for it constitutes a tacit recognition of the contention of the New Dealers that state jurisdiction alone is inadequate. Anti-sweatshop laws in one state have driven sweatshops across into another state. When one state attempts to raise standards, a tendency is set up to escape by flight to some other state. That is why the New Dealers desire federal authority to enforce common standards. Republicans, emphasizing that these questions are primarily for the individual states to deal with, nevertheless recognize a certain inadequacy and advocate that the states concerned combine in compacts to prevent chiselling.

The merit of this method, as the Republicans see it, is that it preserves control over such questions to the states, acting either individually or by agreements among themselves. The New Dealers, on the other hand, say that it is not a practical method because one holdout state, refusing to enter a proposed compact, upsets the balance and that the compact method places a premium upon recalcitrancy on the part of one or more states.

During the Hoover administration, when overproduction of cotton was creating disastrous conditions in the South, governors of several cotton-growing states sought to work out a compact for the restriction of production. But low-cost producing states refused to join, and the plan failed.

The difference between the two parties would seem to lie largely in a dispute over method, as to



By Manning in the Phoenix (Ariz.) Republic

**THIS IS TO BE A SMILE-A-MINUTE CAMPAIGN**

whether the state or the federal government is the proper agency through which to control certain industrial and social relationships. The significant thing is that the Republican party has forsaken the laissez-faire policy of allowing the natural play of individual interest to adjust such questions, and now takes the position that the Government should intervene. That is the same position that the present Administration takes. They differ in that the Republicans believe the individual states are capable of handling these problems. The New Dealers believe the federal government must also throw its power into the solution of them.

It is an important difference, to be sure, but not everyone will agree with Ogden Mills that the Democratic suggestion is a "revolutionary one". The revolutionary step is that the Republican party has come to the point of recognizing a public interest in these matters, and now believes that the public authority should be brought to bear upon them. The Republican candidate is even willing to amend the federal Constitution if necessary to make such action possible. That is the most striking advance in our political thinking that has been seen in years, because it removes from debate the question of whether the Government should interest itself in social and economic relationships affecting individual workers, and resolves the discussion down to method.

For the practical business man, and for everyone else who must go on earning a livelihood in presidential years and afterward, it is somewhat disturbing to put in four months listening to the dire warnings of threatened revolution, or to impassioned descriptions of how "economic royalists" have designs for strangling the country in an economic despotism. If everyone were inclined to accept the hyperbole of political campaign speeches at literal face value, a

presidential campaign would throw the country into a panic. But common sense tells the average man that a good deal of what he hears during campaign years is hokum and that the politician, like the poet, enjoys a certain license of expression which is subject to considerable discount. It is just too bad that four months must elapse between party nominations and the election itself.

The fact is that we are singularly fortunate, in the United States, in having a solidly rooted government and solidly rooted institutions, not subject to each passing threat as in the case in some European countries. We become considerably alarmed over tendencies, and fear that if they are carried to extremes one party will drive us into socialistic or communistic dictatorship, or that the other party will reduce the Government to impotency in order that free-booters can loot the nation.

Yet every sensible person knows that in the long run steady American public sentiment will check the headstrong executive, just as it will goad the over-timid executive. Hoover hesitated to use drastic means to deal with the crisis in 1932-33 and he was goaded by public opinion. Roosevelt did take drastic measures, but when these seemed to be going too far public sentiment began pulling on the curb rein. We are inclined, in presidential years, to worry too much about what could happen if somebody went to extremes. Actually in a nation possessing the avenues of public expression which are open to public opinion in this country, it is difficult for any executive to get far out of line and to remain out of line for any considerable period.

It is too early in the campaign to draw a final perspective upon it. Indications are that if the shoutings from the stump are disregarded, and the actual realities weighed, the chief question is a simple, prosaic one of good management. There is not much question of warm heart involved as between Roosevelt and Landon in themselves. Neither one is going to permit starvation in this country. Neither one is going to do anything which he believes will injure the nation. Roosevelt is not going to introduce the soviet system here, nor is Landon going to try to turn the clock back.

The real difference is that Roosevelt temperamentally is more impulsive, less inclined to count the cost, more indifferent to money matters, inclined to be more dazzled by a spectacular idea, and venturesome enough to try almost anything once—even to harnessing the tides.

Landon, on the other hand, is temperamentally inclined to keep an eye on the bank balance. He may want a new car as much as Roosevelt, but he is apt to stop and figure out whether he can pay for it. He will sit down and count ten before he acts.

Perhaps in a crisis it is desirable to have a hair-trigger leader, one who will do something, because time is vital in a panic. After the storm had quieted perhaps it is better to have someone who is more calculating, more careful and deliberate, who will not go on dumping the passengers out into the lifeboats after the danger of sinking has passed.

In short, the choice between Roosevelt and Landon is a choice between two temperaments, rather than between two philosophies of government.



# THIRD PARTIES OF

BY ROGER SHAW

LANDON AND ROOSEVELT MEAN LITTLE TO A GOOD-SIZED NUMBER OF AMERICAN VOTERS, POLITICAL JOCKEYS WHO RIDE THEIR OWN DARK-HORSES AND DENOUNCE THE DOCTRINES OF ONE ANOTHER.

AMERICA COMMONLY functions under a two-party system, but this is *de facto*, and by no means *de jure*. There are, in reality, some six, eight, or ten political parties in these United States, including a monarchist group from Boston which is said to be in search of a monarch. Occasionally in our long history there have been strong third parties—as in 1892 with the Populists, 1912 with the Progressives, and 1924 with the LaFollette coalition. Our 1860 election saw four strong parties in the field, and 1932 found six weak ones engaged in the contest, plus the sempiternal Demos and G.O.P.

Your correspondent—writing for the Berlin *Weltbuehne* after the presidential election of 1932—stated that the American proletariat had voted "capitalist" (Republican or Democratic) while a fair number of white-collar Americans voted "proletarian" (Socialist or Communist). This genial paradox was perfectly true, but the Berlin editors were so astounded that they returned the writer's manuscript, which they evidently considered to be a hoax. In Europe the class-struggle is far too grim to be taken lightly, and Yankees are incredible creatures anyhow.

Everyone knows all about donkeys and elephants in the piping campaign days; but what of the lesser breeds within the law? There are several of these partisan sects in quest of votes, very highly organized; and their collective brainpower must not be under-rated by habit-voters who ballot for the not overly thoughtful Big II.

First and foremost of American third parties—1936 edition—is the radical coalition put together by Father Charles Coughlin, the radio priest of Detroit. It is thoroughly

American, opposed to Wall Street and the bankers, and favorable by and large to monetary inflationship. It aims to unite Share-the-Wealth followers of the late Huey Long, now led by the Rev. Gerald Smith, with Coughlin's Social Justice outfit and the somewhat disorganized Townsendites who demand ultra-pensions for old age; not forgetting Epics, Farmer-Laborites, and old Progressives. Curiously enough, these somewhat fantastic elements are more hated by Socialists and Communists than are the financially orthodox Republicans and Democrats. Reds and pinks regard the Longs and Townsends and Coughlins as potential Americo-fascists, and recognize fascist symptoms in their confused economic programs. Huey Long was ever the ogre of Union Square, which prefers "cold-blooded" capitalists to rampant "fascist" demagogues.

The new coalition has been called the Union party, and its candidate for President is Congressman William Lemke, 58, a former Republican inflationist from North Dakota. Its vice-presidential choice is Thomas O'Brien, a Harvard man 49 years of age. O'Brien was once district attorney of Suffolk County, Massachusetts, which contains Boston. He was a Democrat. So the Union ticket represents both major parties, as well as East and West. Lemke was born in Minnesota, educated at North Dakota University, Georgetown, and Yale, and was active in the western farmers' Nonpartisan Political League. He has been in Congress since 1933, and is a member of Phi Delta Theta.

What the Union vote will be remains uncertain. It should show strength in California, Louisiana, Minnesota, Wisconsin, Michigan, the

Dakotas, Montana, Nebraska, Iowa, and elsewhere. The gallant LaFollette coalition of 1924, which won nearly 5 million votes, is perhaps an index—for the Lemke coalition contains many similar elements in much the same territory. The Union party should draw from Republicans and Democrats equally. It may prove useful as a pace-setter for the pair of them. Here is the III party for 1936, but there are other third parties. Take, for example, the Prohibitionists.

Prohibition is not through, at least in the eyes of the Prohibition party, whose nominating convention was held at Niagara Falls early in May. Dr. David Leigh Colvin, 56 and an Ohio-born Methodist, is the dry candidate, and his main support comes from elderly church elements which have been reared on the tradition of the W.C.T.U. and the Anti-Saloon League. Colvin's slogan is "Pulverize the Rum Power", and his

COMMUNIST EARL BROWDER

ACME





# 1936

political meetings are punctuated by cries of "Amen" and "Glory to God".

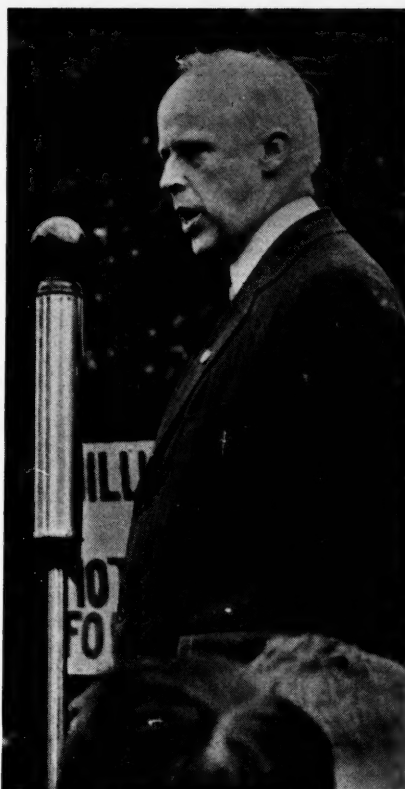
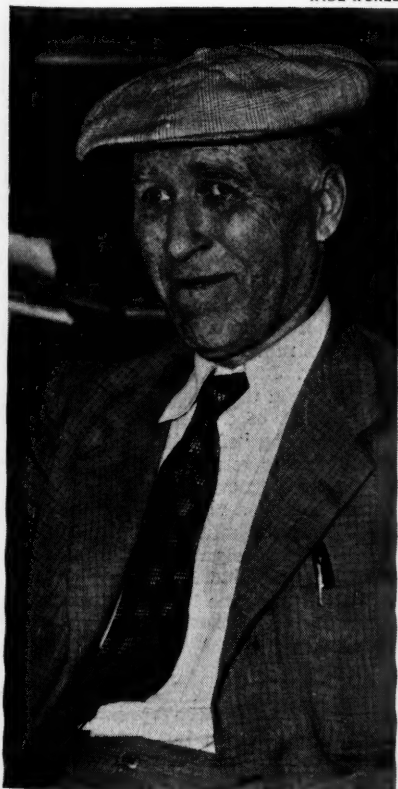
The little Prohibition party, whose story is an old one, can not be laughed at. Indirectly, it dominated the United States from 1920 till 1933, exercising tremendous influence in the South and West. It vigorously opposed Al Smiths and immigrant sophisticates somewhat in the manner of old Cato, who thundered against "new" alien degeneracy in the Roman republic. Its members are innately decent people, and ultra-solid citizens of purest American type. They have not surrendered their ideals, and earned 82,000 votes in 1932.

The story of the Prohibition party is typical of minor third-party movements in America. Such little groups have platforms, and often valuable ones. The outstanding planks of these often are appropriated by one or both of the two major parties, and advocated or put into practice on a national scale. Prohibition won out

**UNION**

**WILLIAM LEMKE**

WIDE WORLD



INTERNATIONAL

**SOCIALIST NORMAN THOMAS**

in 1920, but not the Prohibitionists. Similarly, socialism has made its mark upon the Democratic New Deal, while the Socialists have gotten nowhere outside of the executive offices in an industrial city or two. So it goes. Prior to the advent of national prohibition in the World War period, the Prohibition party averaged perhaps 200,000 votes every four years. Its program, however, captured some 120 million Americans for 14 years.

Socialists believe in evolution; Communists in revolution. Socialists prefer ballots; Communists prefer bullets. Herein lies the distinctive difference between pinks and reds, between Brussels and Moscow internationalism. Their ends are roughly identical, but their means of attaining those ends are diametrically opposite. With Norman Thomas are the French, Spanish, Belgian, and Scandinavian labor parties, now in office. With the 30,000 Communist party members of America are the Third International of Moscow and its red affiliates, open or secret, of all countries. In practice the Third International of today has ceased to be an effective revolutionary force. Soviet Russia has lost interest in prepaid propaganda, is on the defensive against Hitler.

Norman Thomas, 52 and born in Ohio, was nominated by the Socialist party at its Cleveland convention in a controversial get-together which

alienated many of the pink conservatives. "Mass" resistance to any war is a leading plank for 1936, and another is a constitutional curb on the nullifying powers of the Supreme Court. There was much talk of joint action with the Communists in the current campaign, but this United Front proposition failed due to internal discord and to distrust of Moscow and its international chief, the Bulgarian George Dimitrov.

Thomas ran on the Socialist presidential ticket in 1928 and 1932. He is a Princeton graduate and former Presbyterian clergyman who adheres to socialism of the left. His major opponent within the disunited party has been Louis Waldman, whose socialism is of a much more conservative sort. Never has the Socialist party gained as much as a million votes in an American presidential election, its high point (920,000) being reached in the anti-war protest vote of 1920. In that year its nominee was Eugene Debs, then in jail for his self-sacrificing pacifism. Much Socialist strength has defected to the New Deal on the theory that a bird in the hand is worth ten birds in the bush.

The Communists were willing to unite with the Socialists in support of left-pink Norman Thomas, but the alliance has not been effected. They will run their own red candidate: Earl Browder of Kansas, age 45. He attended the Third International con-

**PROHIBITION**

**DR. COLVIN**

ACME



vention in Moscow last fall, along with William Z. Foster of Massachusetts, Communist candidate for President in 1932. Both were warmly greeted by their foreign comrades, who are becoming less radical as they tremble before the machine-guns of a much more radical world fascism.

While the Communists visualize a Soviet America, as described in an instructive book by Foster, their presidential program is much more moderate. As a stop-gap, they even accept civil liberties and parliamentary procedure. Capitalism, paradoxically, they prefer to the various forms of fascist collectivism. In 1932 the reds scored 103,000 votes, while their Socialist rivals garnered 884,000. Red and pink vote-strength centers largely in populous, ideological New York, and in American colleges and universities. Youth is ever radical, and this inquiring trend is wholesome.

Socialists and Communists both have been devoting a good deal of attention to the lot of southern Negroes and share-croppers, men forgotten in many cases by the New Deal. These two parties are strongly

opposed to lynching and attempt to do something about it, having shown themselves more interested in such cases as Scottsboro than the Republicans and Democrats. They urge labor and occupational groups everywhere to "organize"; and in some respects, paradoxically, they are more constitutional in the historic sense than other groups which shout for the Constitution from morn till dusk. Reds and pinks take their stand, primarily, on the Bill of Rights formulated in 1791.

Incidentally, the New Deal is by no means as socialist-communist as many would imagine. It follows the reforming philosophy of Jane Addams much more closely than that of Karl Marx. Its rich agrarian anti-capitalists of South and West dislike Wall Street from the feudal viewpoint, not from that of the proletariat, and this includes kindly President Roosevelt, a member of the old landed gentry. N.R.A. and A.A.A. were in no conceivable sense Marxian, but were instead highly reminiscent of the medieval guild system, from whence stem also the fascist corporative states.

Oldest of all the so-called radical parties in America is the Socialist-Labor outfit, founded in 1876, which held its convention in New York and nominated John W. Aiken of Massachusetts. This nominee is an industrious and able hard-wood finisher, who ran for Vice-President on his party's ticket in 1932. He is 40 years old, and denounces both the Socialists and Communists as "playing directly into the hands of capitalism by helping to save the system". He expects an imminent breakdown of the capitalist regime. The Socialist-Labor party is very small, and little known. It polled about 33,000 votes in the 1932 election, does not believe in partial reform or compromise, or capitalistic collective-bargaining between capital and labor. Instead, it insists on a *real* revolutionary program, whatever that is.

In 1932 the Democrats scored 23 million votes; the Republicans, 16 million; and all the minor parties combined (six of them) totaled only about 1,250,000. But the little fellers have at times presented the Big II with brain-children who grew into giants!

## MARCH OF EVENTS

### PRESIDENTIAL POLITICS

Franklin D. Roosevelt is renominated by acclamation by the Democrats in convention at Philadelphia. June 26.

The President accepts renomination in an address at Philadelphia, assailing "economic royalists". June 27.

Communists in convention at New York nominate Earl Browder for President and James W. Ford (Negro) for Vice-president. June 28.

Dr. Francis E. Townsend addresses his followers in national convention at Cleveland. The man who promised \$200 monthly to all over 60, at an annual cost of 20 billion dollars, criticizes the Administration's "crazy orgy of spending". July 15.

Rev. Charles E. Coughlin, father of the Union party, addresses the Townsendite convention and calls President Roosevelt "the great betrayer and liar". July 16.

### LABOR GIRDS ITS LOINS

"If the steel magnates throw you out," a mass meeting of laborers in the unionization campaign is told by Lieut. Gov. Thomas Kennedy of Pennsylvania (himself secretary-treasurer of the United Mine Workers), "you will receive state relief." July 5.

John L. Lewis and his allies in the Committee for Industrial Union refuse to appear August 3 before the executive council of the American Federation of Labor, charged with competing with the Federation and fomenting insurrection in the labor movement. July 21.

### A NEW DEAL IN FRANCE

The Bank of France reform bill is passed in the Chamber of Deputies, 430 to 111. Control is taken from the "200 families" and its council of fifteen and placed with the Government and the collective interests of the republic. July 16.

War industries are nationalized by the Chamber, 484 to 85, the People's Front liberal coalition gaining a hundred extra supporters. Munition factories will be bought with

cash or special government bonds. Partial nationalization is provided for industries partly commercial. July 17.

### THE LEAGUE BACKS DOWN

Haile Selassie, exiled Emperor of Ethiopia, pleads in person before the League Assembly. What real assistance, he asks, was given to Ethiopia by the 52 nations which had declared Italy guilty of a breach of the League covenant? Is the League to bow before force? June 30.

All sanctions against Italy are dropped by the Assembly, after nine months of ineffective application. It declares itself firmly attached to principles and expresses a desire to strengthen the League's authority. July 4.

### GERMANY'S NEXT MOVE?

League supervision over Danzig (effective since 1920, under an Irish High Commissioner) is declared superfluous by Nazi leader Albert Forster of Danzig. It is possibly an opening gun in Hitler's next move to scrap the Versailles Treaty and restore Germany. June 27.

Revision of relations between the League and the Free City of Danzig is the subject of a speech by President Greiser, of the Free City's senate, before the League Council at Geneva. He plainly seeks return of Danzig, if not the whole Polish Corridor, to Germany. July 4.

Austria and Germany conclude a treaty agreeing not to interfere in each other's domestic affairs but to pursue a common all-German policy in foreign affairs. There are secret annexes, one understood to increase Austria's military possibilities, another to postpone her ambition to restore a Hapsburg throne. It is a further step in Germany's program of regeneration. July 11.

### REVOLT AGAIN IN SPAIN

An uprising that begins in Morocco spreads to the Spanish mainland, under army-fascist inspiration and directed against the leftist government. It meets with widespread success. July 18-22.

# NEW YORK, N. Y.

BY RICHARDSON WOOD

More moneyed foreigners visited the city this year than ever before, and not just because of repeal and the boloney dollar. What brought them, and what makes New Yorkers out of native Americans, is shown in this character sketch of a metropolis

**T**RAVEL to and from the country's largest city has reached new peaks in recent weeks, with the opening of the Tri-Borough Bridge, the rush of passengers to super-liners, and of department store buyers to the novelty markets. A growing focus of world travel, New York is also a focus of another sort. The political campaign has made people increasingly aware that the concentration of wealth of which New York is the center may be slated to pay an even larger share of the nation's bills; that New York, having secured control of much of the country's money, will be forced to give it back to the country via Washington. With these events in mind, a brief definition of New York may be useful.

## IDEA INDUSTRIES

New York is the center of the nation's two basic idea industries: finance and fashion. These are the industries which express our interest in money and sex—the only two subjects which, in the opinion of Benjamin Franklin, Americans will read about for more than three minutes at a time.

Finance and fashion are properly called idea industries, because such materials as they use are employed

rather as symbols than as the means of direct satisfaction. The materials of finance are merely chits of paper: an elegantly engraved stock certificate, an I.O.U. scribbled on the back of an envelope, a 500-page trust indenture, a warehouse receipt, a dollar bill, and so on. The materials of fashion are flimsy textures of fiber: cotton, wool, flax, wood pulp, cocoons, hair, hide, and feathers.

It is the shrewdness with which these chits of paper are written upon and the witchery with which these fibers are arranged that creates their value, rather than anything inherent in the materials themselves. For the materials most prized by both industries, gold and jewels, are among the least useful of the minerals. The traffic in such materials is therefore necessarily the work of those skilled in phantasy. For this workmanship in ideas the rest of the country gives New Yorkers expensive motor cars, express elevators, fresh fruit at all seasons, and cream for their cereal.

The New Yorkers who labor in these idea industries are only a portion of the twelve million people who inhabit that large region of channels, swamps, sand bars, rock ledges, and hills which make up the metropolitan area. For this area is interstate. Two

familiar features of New York harbor, the Statue of Liberty and Ellis Island, are both within the boundaries of New Jersey.

## THE TWELVE MILLION

New York, N. Y., the official post-office address of the metropolis, is made up of five boroughs or counties, the most populous of which is Brooklyn. Outside of these counties but within easy reach of New York are five cities with a hundred thousand population each, and many another city, town, and village in New York, New Jersey, and Connecticut.

Most of the group total of twelve million inhabitants, both rich and poor, live very much like people anywhere else, getting livings as best they can and raising families, many of them not going near the bright lights from one year's end to another's. But those triply distilled New Yorkers who weave the webs of finance and fashion in New York County, within New York City, in New York State—that is to say on Manhattan Island—living there or commuting to it daily, they do not act just like other people. It is they who make the city a place which the other one hundred and twelve million Americans like to visit but in which

Photos taken by Acme on Fifth and Park Avenues



## "YOUR GENEROUS MILLIONAIRES . . ."

These photographs are a fairly random selection from Easter Parade news shots of recent years. Only two of these typical New Yorkers were born in the city. All are engaged in corporation or financial work. Society has some men of old families, "good

stock", but they are without honor unless they are also Magnates or Adventurers (see text), for it is the skill which can make money that commands respect, rather than the names of those who made it once. Hence brains can compete with bank accounts.





Photo by Acme at Tuxedo

## "YOUR BEAUTIFUL WOMEN . . ." (1) HORSE SHOW

Horses are less photographed than the 20,000 or so ladies in the New York Social Register who like them. The girls at the left are about to show their own horses; the "best dressed woman" at the right (see

text) is about to watch the races. She learns how dresses look from the girl on the next page. Looks are the best weapon of woman on the make; social distinctions are maintained chiefly for defense.

they would not like to live.

These New Yorkers are a mixed lot. A fair sample shows that more than three quarters of the New Yorkers in Who's Who were born elsewhere. The same proportion holds even on the editorial staff of *The New Yorker*. As Dick Whittington came up to London to seek his fortune, so the New Yorkers have come from all over to match their wits against one another and against the country. They have sensed that New York is the "place where they give the orders", and they have come to it to shout or whisper their own commands.

### THESE NEW YORKERS

They leave the town on many flying visits, for they are great travelers at all seasons; but they always come back. Like the character in *Manhattan Transfer*, they feel "it's the top of the world . . . there's nowhere else." What songs the sirens sing to lure them on the rocky isle is each man's and each woman's secret.

To catch some fragment of the refrain is the purpose of this piece.

### MAGNATES, ADVENTURERS AND JEWS

Various though their origins may be, New Yorkers are divided into three distinct classes: magnates, adventurers, and Jews.

Magnates are either graduated adventurers or men who got to be magnates somewhere else and came to New York because they wanted to have the exhilarating sensation of climbing continue.

Adventurers are those who have neglected the advice of Greeley to go West and have listened rather to the words of the capitalist counseling his nephew: "If you want money, my boy, go where the money is."

Jews are the natural denizens of any metropolis, for their skill in handling ideas is preëminent. Their ancestors founded the religion which the whole of western civilization recognizes. Marx, whose political doctrines directly influence at least a tenth of the world's population,



Acme at Belmont

was a Jew. Einstein, the great mathematician, and Freud, who brought the analysis of dreams within the field of practical science, are Jews.

They deal successfully in second-hand goods because their sense of exchange value is so keen. As medical students they learn anatomy better from books than in the dissection room. There are many Jewish lawyers, few Jewish engineers. They are merchants rather than mechanics, manipulators of thought rather than of substance.

Yet they are rarely magnates in the full social sense of the word, although many of them rank among the country's most distinguished citizens. They stir up mixed feelings of envy or distrust among the gentiles, the mixture depending upon the particular gentile's particular weakness. For this reason, and due to their own clannishness, the Jews, although essential to the city's life, are still a race apart.

New York's traditional welcome is a shower of ticker tape. Hence the



Photo by Jerome Robinson at Hattie Carnegie's

light-hearted chaps who make those paper ribbons chatter out into the tall baskets deserve a line. There was a time when the tense shout in a board room, "Meehan has gone on the floor," would shoot Radio common up a couple of points before the echo died. But when the whole country had decided to go back to work and had sold nearly all of its stocks after it found there was little work to be had, then the pace lessened so much that floor brokers might be seen in trading hours passing a football to one another, or pulling out a fellow member's shirt tail.

Money-changing is a serious business chiefly to those who win or lose. Brokers get paid by commissions. The best ones, like good barkeepers, seldom touch the stuff they trade in. They put their profits back into the business or into good bonds or annuities. They are men of volatile emotions, quick on the trigger, yet always ready for a romp. It is not surprising that they are often found as angels to Broadway shows, or that



Radio City Music Hall

## (2) DRESS SHOW

Styles still come from France but have to be refitted and often redesigned for such typically American figures as this. Models, says Gertrude Mayer, their chief agent, number 2,000, many related to the elect.

## (3) GIRL SHOW

Show girls, of whom New York now has about 1,000, are the physical aristocrats of American womanhood. They often marry the most desirable men, showing women's worlds distinct, but women interchangeable.

debutantes and show girls regard the fraternity as a first class hunting ground.

### BUREAUCRATS

Moresolemn than the money-changers are those august individualists who preside over the country's great corporations. Through their ante-rooms bankers, lawyers, and vice-presidents tread softly, carrying papers. In their directors' rooms the mighty men of industry and finance meet and ponder. On the benches in their halls graduates of the best colleges wait all day for the opportunity of running an errand.

The power of these magnates may be greater or less than is popularly believed, but the source of their power is obscure, and the interest they arouse in the casual onlooker, aside from this unseen power, is small. The livelier side of their life is at home.

Take Mr. Harrison Williams, whom the movies would regard as a typical magnate. For in the movies a

magnate is a man who asks his lawyer, "Well! Did you buy me that string of utilities?" Mr. Williams has not done much dealing in such expensive merchandise since 1929, but he is chairman and chief stockholder in the only string of utilities which has been singled out for praise by the present Administration, and he has other important interests. Few people, however, have any idea who Mr. Harrison Williams is; yet most people have heard his name. They have heard it because Mrs. Harrison Williams has been widely celebrated as the best dressed woman of her time. (See picture).

### THE DISTAFF SIDE

Lower Manhattan is a man's town. Despite all its buildings there are few shops in it: a handful of haberdashery stores and many clusters of quick-lunch counters. The towers around East 42nd Street repeat the same pattern with less emphasis. But from the Pennsylvania Station east along 34th Street and then up



Fifth Avenue to Central Park are shops; and from the Opera House at 39th Street up Broadway for a dozen blocks are theaters; and between the Park and Park Avenue, and in some places over to the river, are houses and apartments. In these domains women rule.

With the aid of the shops the New York woman outfits her person and her home in such a manner that the rest of the country, and lately the rest of the world, is strongly influenced. As soon as a dress style, many of which are now originated in New York, catches on, the big-volume dress houses whip out low-price copies and whisk them all over the land. Last year millions of dollars were spent for fashion goods in New York by buyers from London, Cairo, Norway, Australia, Latin America, and the Far East.

Nowhere except in London and in Paris is there such a group of high style stores. Tiffany, Bergdorf Goodman, Hattie Carnegie, Abercrombie & Fitch, Mark Cross, Lewis & Conger, Jay-Thorpe, Max Schling, Brooks Brothers are only a few names from the index of the golden book. They all form a part of the woman's world, even though Brooks sell only men's furnishings and Max Schling's customers are chiefly men; for woman either buys or directs the buying of most of man's furnishing and Schling's exquisite flowers are man's most eloquent offering to the Sex.

#### GREATEST GATEWAY

Every town large enough to have a chamber of commerce is a gateway to something or other. New York is the biggest gateway of them all, but a gateway of a different sort, because its characteristic traffic is in ideas, not goods. Its connections with the rest of the country are strong, multiple, but hardly direct. As a city New York looks not to the country but to other idea towns.

Its magnates focus their gaze on Washington. The largest railroad which connects the political capital of the nation with its economic capital is electrified, and both rail and air lines have the heaviest traffic in the country between any two points more than one hundred miles apart. The money changer is also sensitive to Washington, and, looking over the magnate's shoulder, he shudders at the sight of that other unpleasant biblical character, the tax gatherer.

New York's women have reveries of Paris and of Buckingham Palace. They encourage the attention of an estimated 3,000 titled noblemen now resident in New York, 800 of whom are said to be genuine. And the women join the men in hunting the



Photo by Jerome Robinson

#### "YOUR TALL BUILDINGS . . ."

Rockefeller Center, here seen from a Broadway tower, is the town house of the Stage's two grown-up daughters, Movies and Radio, and may yet become the abode of the Stage's dignified aunt, Opera. Symbolic of New York's world position in culture, these buildings also house the offices of corporations with international influence, together with a multitude of shops and exhibitions, and properly take first place on the visiting list of those who come to New York from all

over the country for study and diversion. Bonds of seven representative New York hotels, according to the Amott Baker averages, have risen about 170% from their lows of late 1932. All that these Rockefeller buildings and the other skyscrapers stand for provides the reason why more of the British nobility visited the city this season than ever before and why many Australians now choose the eastern route to England in preference to the Suez Canal.

fox, playing the ponies, and carefully cultivating the right people.

If finance and fashion have nearly reached full bloom, there is another flower of the mind still a bud on the tenuous stalk of the city's life. Music, art, literature, drama—the methods of expression usually summed up by the word culture—these flourish only when money has provided leisure and caprice has found colorful but insufficient ways of filling it.

New York is now preparing a new home for the Muses. The activities already described have made the city more than a gateway, a mere port of entry for Americans returning from Europe. It is a place people come to for its own sake.

It is already the world's theatrical center and greatest architectural marvel. It pays musicians well, but still requires that they make their reputations elsewhere. Its modern picture galleries are growing fast.

It is the national center of radio and publishing, the two agencies which are doing the most to develop American talent. And it is the movies' other home.

It is a center for ideas in all their forms. New York, in fact and in fancy, is a city with its head in the clouds.

To have Manhattan Island towed out to mid-Atlantic and moored there, or sunk, as some have suggested, would serve no good purpose. No more would it be well to turn the town over to political plunder. For all its frills, and frequently because of them, New York is a city of which the nation can be proud. If the country can understand the metropolis better, and if the New Yorkers will remember what America was really like when they were once a part of it, then the city can become an economic and cultural capital in the fullest sense.



# HORSE POWER & HORSE SENSE

B Y W E N D E L L L. W I L L K I E

THE PRINCIPAL obstacle in the way of a clear-cut public opinion on the electric power issue is the difficulty of getting all the facts on both sides. The same set of figures may be used to illustrate diametrically opposite points, and the contention for either private or governmental ownership seems ably supported by whichever side has the floor.

More frequently, however, no agreement can be reached on basic utility statistics, and the true situation remains obscured. The privately owned companies, faced with the threat of extermination, have tried to submit their case. It has been presented fairly, but without the emphasis and reiteration necessary to inform the entire public of just what privately owned power industries have accomplished. Defense is rarely as spectacular as attack, and the utilities have suffered from inept showmanship rather than from faulty management.

I have heard it claimed, in arguments supporting government ownership, that communities having municipally owned plants generally enjoy rate advantages over those served by private companies. The best figures I have been able to get, in many years of investigation, show that municipal plants (although free from taxes) maintain an average rate for all classes of service 15 per cent *higher* than that of private companies. This in spite of the fact that taxes take 15 per cent of the

gross revenues of privately owned companies.

Where particularly favorable rates exist for household consumers at municipal plants, the low schedules are likely to have been established at the expense of the industrial user of electric energy, who thus provides a subsidy for domestic consumption. This is gratifying to the home owner, but it is scarcely indicative of an inherent advantage in public operation. In other instances the reason for the low charge of a municipally owned utility may be found in a high municipal tax rate.

The tendency in the electric industry, over a period of many years, has been to replace municipally owned plants with private operation. The reason is that municipal management has proved in so many cases economically unsound, and unable to cope with the economies and efficiencies of the large coordinated private systems. Of the 437 municipal plants established between 1920 and 1930, 323 had been sold or abandoned by 1932. This was a casualty rate of 74 per cent. Of the 3,900 municipal plants established in the history of the electric power industry, the survivors number 1,800. The mortality rate increased as the industry matured.

These figures are offered as evidence that the demand for utility reformation did not have its origin in any demonstrated superiority of public ownership. Even the most

severe critics of the power industry must agree that public operation has not manifested sufficient benefits to justify the complete overturning of the private industry, with its \$13,000,000,000 in invested funds, at a time of economic emergency. We must look for some other cause for the electric power issue than that presented by any demonstrated advantage of governmental ownership.

The chain of circumstance leads back to the Government's war-time development for nitrates at Muscle Shoals, Alabama, and the subsequent efforts to salvage something from that large investment. This brought the Government face to face with the question of using the electric generating facilities and directed an

**Sharply differing schools of opinion in matters affecting electric power production and distribution make it difficult to get a clear-cut picture of the public utilities issue. President Willkie of Commonwealth and Southern speaks for private control**

unusual amount of public and legislative attention toward what was transpiring in the privately owned power industry.

Unfortunately, the picture presented there at the time was none too satisfactory. Malpractices included instances of "upstream loans"—loans made by an operating subsidiary to the holding company, at times on no more security than a hope that the holding company would repay; excessive pyramiding, which permitted the control of vast utility empires by means of an inconsequential investment at the outset; excessive service fees for the engineering, financial, or other counsel and assistance; overbuilding of generating capacity, and so on.

These misdeeds, errors of management, or whatever we call them, were not representative of the whole utility industry. They were the exception rather than the rule, the flagrant misdemeanor which attracted widespread public notice and led to denunciations on the floor of Congress. Meanwhile the bulk of the industry was going about its business of giving efficient and more extensive service.

Some utility systems presented a maze of intermediary holding companies that was baffling to the most astute student of business operation. Part of this was grotesque and wholly without reason. Yet in many other instances these intermediary companies represented consolidations still in course of consummation, where for peculiar operating or investment reasons (because stock in old companies remained outstanding, or because of the high tax on stock transfers) the non-functioning intermediate company could not be readily eliminated.

#### THE PRESENT ISSUE

Evidence of mismanagement found in some utilities gave rise to the present public utility issue. They were responsible in part for the Tennessee Valley Authority Act, providing for the completion of Muscle Shoals, the building of additional dams, and the generation of electric power by the federal government. They contributed also to the passage of the Wheeler-Rayburn Public Utility Act of 1935, eliminating diversified utility holding companies. The TVA development has been followed by similar and even more extensive projects such as that at Grand Coulee, and by the projection of federal power developments at Passamaquoddy and elsewhere.

Just as the power companies have tried to present their case in the best light, so the opposition has not wished to pull its punches. I can

illustrate my point. Some time ago, prior to the introduction of the Wheeler-Rayburn bill, investigators of one of the federal agencies spent several weeks in our offices making an exhaustive study of our records and business methods. One of these investigators, in the course of conversation, said to me:

"Mr. Willkie, I want to congratulate you on the openness and the frankness with which your organization is giving us information, and also on the way your business is conducted. The elimination of your intermediate holding companies was splendid. The methods of your supervision and your interest in and constructive help given your operating companies are matters for commendation."

I thanked him and said: "Why don't you put that in your report?"

"Mr. Willkie," he replied, "I should be severely criticized if I put anything favorable to a utility holding company in my report."

#### NEW FEDERAL POLICY

We now have a new federal policy, finding its expression in the development of great power projects in different sections of the country; in legislation looking toward the elimination of geographically diversified utility holding companies, and drastic regulation of operating subsidiaries; in the adoption of a program of gifts of money and loans, under which any community desiring to build its own municipal power plant may obtain 45 per cent of the cost out of the United States Treasury. Unaware, perhaps, of the history of municipal plants elsewhere, many communities are now trying to avail themselves of this governmental bounty and construct their own generating and distribution systems, duplicating those of private companies.

Continued discussion of the utility holding company has persuaded many people that the holding-company type of organization is a diabolical contraption adopted by the industry as a screen for its machinations, and that the consumer, the investor, the public generally—in fact, all elements of electric power except holding company management—would profit by its elimination.

Something closely akin to that belief has been embodied in the Government's utility policy. The Wheeler-Rayburn Act proceeds on the assumption that whatever may have been the origin and purpose of the utility holding company, it has been open to such grave abuses that the bad outweighs the good and that a complete reorganization of the utility industry is imperative.

If there is an inherent menace to the public in the holding company structure itself, that menace must exist in hundreds of industrial corporations, in nearly half a hundred railroads, communication and entertainment companies, in newspaper organizations and a wide variety of other enterprises. All these have been open to investment by the public, and, like the utilities, are the repositories of the savings of citizens in all parts of the country.

As a matter of fact, an abuse in the utility field, like that in any other industry, consists of the overt act and not in the structure of the organization under which the act is committed. It is just as easy to legislate against overt acts judged to be contrary to the interest of consumers and investors as it is to abolish a certain type of corporate organization.

To carry the theory of the Wheeler-Rayburn Act to its ultimate conclusion, the evils of the holding-company system—as demonstrated by isolated instances in the electric power field—are such that all holding companies should be effaced, regardless of how the process might shake the foundations of American business.

The holding company was not introduced into the electric power industry as someone's bright idea. It came because it served a definite purpose. It has endured, in some cases for more than fifty years, because its functions have been helpful and constructive.

#### THE HOLDING COMPANY

There is nothing devious or mysterious about a holding company. It is a corporation which owns common stock or other securities in one or more utility operating companies. These operating companies are usually local in nature, supplying a single community and its adjacent territory with electric current. Through holding company supervision it has been possible to join the local companies in an interconnected utility system in which all units have equal strength both as to technical efficiency and investment stability.

Before the holding company extended its influence into the smaller communities, breakdowns of local plants were common. Service was suspended during almost every emergency or electrical disturbance. Financial failures attended almost every period of local economic stress. Writing from warm Springs, Georgia, on November 5, 1926, to Thomas W. Martin of the Alabama Power Company, Franklin D. Roosevelt made this exact point:

"We in this and neighboring com-



munities, are suffering from the usual high cost and inefficient service of the small local power plants ..."

David Lilienthal, one of the directors of the Tennessee Valley Authority, writing when he was a public utility commissioner, explained the function of the utility holding company in the following terms:

"Since the pioneer public utility acts of New York and Wisconsin were enacted two decades ago a new figure, the holding and management company, has come upon the field, demonstrated its prowess, and in a relatively few years changed the entire economic nature of the public utility industry. Isolated plants have given way to great systems whose lines span several states and serve hundreds of communities, all operated under unified managerial and financial supervision.

"The spread of rural electrification, the amazing advance in telephony, the rise of superpower systems—these and many other technological developments so intimately related to the public welfare are directly attributable to the efforts of the holding company. Perhaps most important of all, to the holding company must go the credit for the unprecedented flow of capital into the public utility industry making possible extensions and improvements of service.

"Every phase of public utility operation—financing, accounting, engineering, management, public relations—has undergone great changes under the new regime."

As a further evidence of how the holding company came to be regarded, I quote from Dr. Bonbright, whom President Roosevelt, when Governor of New York, appointed to the New York Power Authority. In his book, "The Holding Company", Dr. Bonbright says:

"The holding company has now become such an essential part of the structure of large-scale business that its abolition would be serious, if not fatal, to the effectiveness of American industry . . . The task of legislatures, the courts, and the economists, in dealing with the holding company, is to understand and minimize the abuses to which it is subject, while recognizing and strengthening its social usefulness."

#### SLOW TURNOVER

None of these statements gives a full picture of the utility holding company's service for its operating units. The utility industry is unusual in one respect, in that it requires a large investment and has one of the slowest capital turnovers in American business. With the ordi-



Brown in The New York Herald Tribune

nary business or mercantile organization, the annual gross income is from one to ten times the amount of capital investment. With an electric utility, whether it may be a steam or a hydro plant, the gross revenue available for all purposes (including taxes, salaries and wages, the purchase of material, interest on indebtedness, and the requirements for dividends) will aggregate only from 10 to 20 per cent of the invested capital, which means a capital turnover every five or ten years.

Despite the small amount of money available for improvements and extensions from operating revenues an electric utility company continually needs new funds. Every one who desires service is entitled to receive it. The utility is required by law to provide this service. New customers are coming in every day, new homes are being constructed, new suburban sections are being developed, new factories are being built. Old customers are using more current. Re-

mote rural sections are calling for power lines.

Every one of these requests involves a capital outlay by the utility operating company. Transmission and distribution systems must be thrown out into the new territories, which means that for high-power transmission the company must buy a right of way and erect towers and lines which cost as high as \$50,000 a mile. Increased consumption and the opening of a new territory frequently call for the erection of additional generating plants.

#### CAPITAL NEEDS

Of all the functions of utility management, the raising of new capital is the most pressing and ever present. The utility operating company must constantly be prepared to invest new capital funds. It cannot obtain this money out of operations and consequently it must borrow. This extensive borrowing makes the interest rate at which it can obtain



new money an exceedingly important factor in its operating costs.

Obviously the small isolated company offers a greater investment hazard, and must pay a higher interest rate. When the community is subjected to unusual economic stress it may find itself unable to obtain any money at all; and that is exactly what did happen to many local power plants before the utility holding company extended its activities throughout the industry. Higher interest charges mean that the consumer is obliged to pay a higher rate for his energy, and consequently is not inclined to build up the volume of his consumption. The greatest factor tending toward rate reduction is an increase in average consumption—not so much the bringing-in of new customers as the larger use of energy by old customers.

Contrasted with this situation are the coordinated systems of the utility holding companies, with their interconnected transmission lines, giving assurance that electric energy will be available in all circumstances, and upon any unusual demand for a peak load in any given section.

Of equal importance, the holding company has provided the investment diversity factor which has not only given the operating companies their required money at low interest rates, but has tended to reduce the hazard. It is an application of the old maxim that sticks may be broken separately but not when they are tied in a bundle.

#### TVA AND THE MARKET

Let me give two concrete illustrations. By the introduction and passage of the Tennessee Valley Authority Act, \$500,000,000 of operating company property of the Commonwealth & Southern system immediately adjacent to the TVA development was rendered unable to finance itself. The market value of the senior securities of this property (bonds and preferred stocks) dropped almost \$125,000,000 below the market price of such securities before it became apparent that the TVA bill would be enacted into law. All of these securities had been issued after showings made to public service commissions that an equal amount of money was being invested in the property at the time of issuance.

It was obvious, therefore, that the operating companies in the affected areas could not finance themselves, and during recent years the Commonwealth & Southern Corporation has advanced to these units for refunding and developing purposes more than \$30,000,000.

The second illustration is this: When the banks of Michigan closed,

the Consumers Power Company and other northern operating units had millions of dollars in frozen deposits, while southern and New York banks remained more solvent. During that critical period, by reason of its diversity factor, the Commonwealth & Southern Corporation was able to ship to Consumers Power Company and Michigan hundreds of thousands of dollars in cash to keep the wheels of industry moving and its employees out of the bread line.

#### SHOCK ABSORBER

With the holding company system the shock of emergency is absorbed by the parent organization. It provides as well a cushion for the senior securities of the operating companies which may be sold directly to the public.

The utility operating company usually raises its money in the following manner: 50 per cent in mortgage bonds, 25 per cent in preferred stock, and 25 per cent in common stock. While the bonds and preferred stocks are readily marketable in most instances, the common equities in operating companies outside of the large metropolitan areas are usually supplied by the holding company. Capital would not be available for electric power developments in sparsely settled territories at anything like reasonable rates, unless provided by the holding company, where the risk is based on an entire system rather than upon the system's weakest point.

In addition to the financial assistance provided by the parent organization, the holding company supplies important merchandising, engineering, accounting, and rate services, at much lower cost than the operating unit could fill its requirements along these lines independently. These are not mere contentions, but actual demonstrable advantages. In the eleven states in which the Commonwealth & Southern operates, its rates for domestic consumption are lower than the rates of the so-called independent companies, and they are lower in those states—taking into account taxes—than the rates of the municipally operated companies, except in the sections of Mississippi and Alabama where the heavily subsidized TVA rates are applicable.

#### CENTRALIZED SERVICE

A mutualized service company supplies centralized engineering, financial, new business, operating, accounting, purchasing and other services at absolute cost, and without one cent of profit to the holding company. The cost is far below that for which the operating companies could separately obtain such services.

The holding company provides a reservoir from which the operating companies draw their requirements of capital when money rates are high, and it secures refinancing of this indebtedness when money rates are low.

Such is the economic function of the holding company, which has won an outstanding place in the development of the electric power industry.

Whatever steps may be necessary to safeguard the public can be accomplished in a reasonable federal regulatory law, which will not blindly insist upon the retaliatory death sentence but will deal with overt acts if and when they arrive.

Such a bill should make the issuance of all utility holding company securities subject to the approval of the Securities and Exchange Commission, and empower it to prohibit the issue and sale of securities found to be detrimental to the interests of the investing or consuming public. It should require all utility holding companies which do not have their securities listed on a registered stock exchange to register with the Securities and Exchange Commission, thus making them subject to all the provisions of the present Securities Exchange Act.

#### PROGRAM FOR REGULATION

It should regulate the relationship between a public utility holding company and any affiliate so as to prohibit upstream loans, excess profits from service, engineering, financing charges, and any and all other abuses alleged against utility companies during the boom era. It should authorize the Securities and Exchange Commission to prescribe uniform systems of accounts for holding companies. It should provide for the creation of interstate power boards to pass upon interstate power rates whenever requested by one of the state public service commissions concerned, or by a party to a contract prescribing such rates.

These specific suggestions should be supplemented by any other provisions necessary to protect the industry, the consumer, and the public against those abuses which were common to all industry during the speculative orgy immediately prior to 1929.

Such a program would preserve the wholesome and beneficial features of holding companies while protecting billions of dollars of investment which must otherwise be rendered largely worthless, and would permit the utilities to embark on a campaign of rehabilitation and construction. This would stimulate employment, and start the country on the road to genuine economic recovery.

# ORGANIZING THE



## CLEVELAND FAIR

*How Cleveland, without bank borrowing, put together the Great Lakes Exposition which celebrates the centennial of its municipal charter, dramatizing the romance of its industries. A story of vision, of wise planning*

**By BEN H. ATWELL**

**A**LONG Lake Erie's front at Cleveland, where the founder of that metropolis encountered swamps too treacherous to afford a foothold nearly a century and a half ago, and where an unsightly dump developed with the advent of civilization, the Great Lakes Exposition spreads today a mass of color and action. It is entertaining millions of visitors, and spreading the doctrine, initiated at Chicago two years ago, that municipal water fronts can serve a much more useful civic purpose than sites for ash heaps.

The centennial of its municipal charter is responsible for the hundred-day commemoration throughout the immensely rich empire on the inland fresh-water seas, of which Cleveland claims the distinction of being the trade capital.

Today's celebrants concern themselves with their dominating activities and the primary sources of their wealth—iron, steel, and manufactur-

ing—which have assumed spectacular proportions warranting dramatic interpretation. And they have dedicated this great regional Fair to the romance of their industries, to the spirit which has directed them.

Cleveland, most show-minded community in the world, demonstrated its right to this title in planning, organizing, and building its huge Fair. The story of its financing and what was accomplished with the sum at the command of the management sounds more like a recital of a demonstration of Scotch thrift than of the details of a great show project in the heart of the U.S.A.

Having dabbled with one form of public entertainment or another through the years back to Tom L. Johnson's time, and possessing also an uncanny trait of developing through each some permanent addition to its ever-growing physical equipment, Cleveland found itself with "show" properties appropriate to the purpose and valued at more than \$25,000,000, when the idea of an Exposition was first broached. These properties include Public Hall, where the Republican Holy Crusade for Freedom recently was launched; Music Hall, with a seating capacity of 3,500; an intimate little theatre; the Public Mall with its acres of exhibition space beneath its parked surface, and the Stadium, capable of seating more than 85,000 persons.

Cleveland also had "show" assets in human form, among them Lincoln G. Dickey, who launched the career of the huge Public Hall and managed it for seven years until coaxed to a similar post at Atlantic City, and later to Manhattan to handle its conventions. Dickey, a veteran exposition manager, prolific with colorful ideas, a hale and hearty personality accentuated by an ingratiating smile, was born in the show atmosphere of Winona Lake, Indiana. This home base of religious fervor, headquarters of Billy Sunday, William Jennings Bryan, and a generation of their kind, imparted some intangible quality to this master showman-promoter that has been reflected in every phase of the Great Lakes Exposition.

### PRACTICAL SHOWMANSHIP

This unique combination of eloquence, fervor, driving capacity, imagination and canny, calculating practicability has been recalled to Cleveland time and time again as on this occasion, when show problems perplexed the community. He made the vast Public Hall pay by "keeping it working all the time." Attractions that ranged from religious congresses and trade conventions to wrestling bouts were staged with



rapidity, necessitating a small army to accomplish the necessary physical transitions. The same tactics—more men, and still more men—made the Great Lakes Exposition possible in record-breaking time when Cleveland finally decided that something ought to be done about a proper centennial observance.

Dickey arrived from New York with an illuminated panorama of the Exposition pretty much as it actually appeared when the gates were opened a few weeks ago. The principal difference lies in the fact that it was increased to twice the size originally planned. The importance of the time element brought into the limelight another Cleveland human asset in the person of Dudley S. Blossom, millionaire, art-lover, philanthropist, and arch enemy of ballyhoo. Despite the latter seemingly inconsistent characteristic, it was this cultured and soft-spoken capitalist that fathered the Great Lakes Exposition, whose appeals for patronage smite the eye and ear at every turn.

#### A GENEROUS GUARANTEE

• Realizing that during the period essential for the necessary conferences, organization meetings, and similar first steps to any such undertaking prospective exhibitors would have prepared and allocated their annual appropriations, Mr. Blossom personally guaranteed all organization and development costs pending formation of the governing group, and ordered full steam ahead. Consequently a thoroughly experienced professional management was hard at work on the job and showing almost unbelievably encouraging results by the time a local group of business, professional, and industrial leaders came forward with \$1,100,000 for a working fund—a loan without interest. The municipality, too, came across with the loan of its

\$25,000,000 show equipment. An architects' commission presented plans embracing the inspired idea of a bridge that connects the centrally located city buildings and grounds with the lake-front area, and an underpass linking all elements into comprehensive unity.

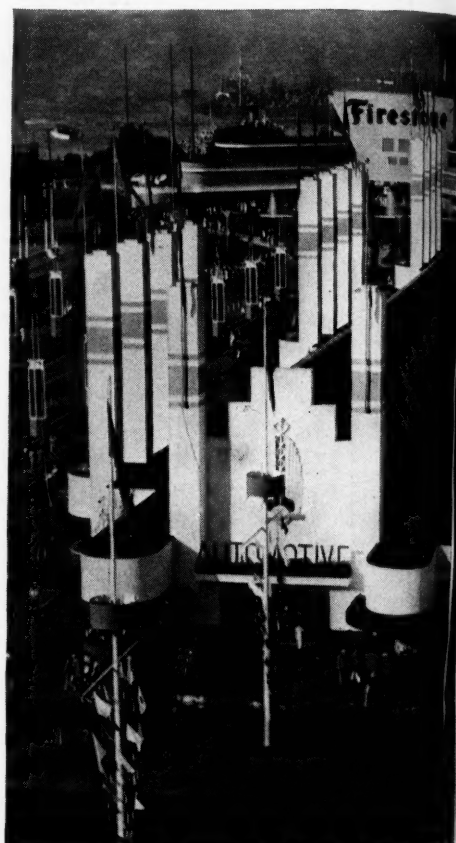
The men Blossom called into camp were such types as Henry G. Dalton of Pickands Mather & Co., famous shipping operators; Louis B. Williams, long the head of the Federal Reserve Bank of the Fourth district, and now chairman of the board of the National City Bank of Cleveland; A. C. Ernst, managing partner of Ernst & Ernst, accountants, who has personally directed the finances of the Exposition; Eben G. Crawford, electric utility president, who became president of the Exposition corporation; and C. L. Bradley, financier, railroad magnate, and builder of Cleveland's \$100,000,000 terminal.

More than 130 leading figures in every field of activity constitute the Board of Trustees, a veritable "Who's Who" of the community. The Exposition has been brought into being without bank borrowing. Incorporated as a non-profit enterprise, even the underwriters' subscriptions carry no interest charges. All concerned expect to get their money back, but none anticipates a dollar of profit except such as may be derived from benefits to Cleveland and the trade empire of which it is the center. These will be many, in material form as well as the less tangible, and the municipality will be enriched by parks, gardens, roadways, and other permanent improvements.

Although essentially an industrial fair, the Great Lakes Exposition offers the visitor things in no way connected with business life. Education, art, culture—sheer beauty—are accentuated in unexpected degree. In the latter field the Federal government was induced to dip into its cof-

fers for a contribution of \$178,000 for horticultural gardens of rare charm, which will remain a permanent fixture in Cleveland. Enough was added to this fund to appropriate a half million dollars.

Distant Florida—intent upon increasing its tourist trade and its sale of citrus fruits—was among the first of the distant states to participate. Its exhibit, including fruit-bearing orange groves—a veritable section of Florida transplanted at a cost of \$250,000—fits delightfully into the beautification of the great show lot. California quickly followed Florida's lead.



**Above, Automotive Building, housing popular displays**

**Right, Lincoln G. Dickey, Cleveland Exposition genius**

**Left, the climax of the style show given twice daily**





Cleveland's far-famed Art Museum, which recently celebrated its twentieth anniversary, has throughout its life achieved widespread celebrity as a lender. Strangely enough, it seldom has been a borrower. Consequently, when this museum undertook to do something for the Great Lakes Exposition, it found the world of art eager to reciprocate its favors; not only have art lovers everywhere contributed handsomely, but the museums and nations have vied with each other in showering their artistic gems upon the Forest City.

John D. Rockefeller, Sr., engaged in a gesture of affectionate regard for his native town (where he laid the foundation of the oil industry and his personal fortune) by lending not only priceless fourteenth and fifteenth century masterpieces from his collection, but also by contributing Sargent's famous portrait of himself, widely regarded as one of the finest specimens of his genius.

A marine atmosphere pervades the Great Lakes Exposition. Visitors may observe the movements of ore boats, fishing craft, and passenger ships, some comparable in size and capacity with the great ocean liners. The harbor is a mecca for yachts of all sizes and types. Nautical spectacles are given in the Marine Theatre. A huge showboat, a reconditioned train ferry that cost more than \$1,000,000; a giant submarine; Admiral Byrd's Antarctic flag ship, the *City of New York*; and all manner of government craft contribute a variety of interest.

#### GOVERNMENT AND INDUSTRY

Although the United States government is represented with big displays, Congress engaged in no such lavish appropriations for the Great Lakes Exposition as it showered upon Texas for its centennial. Yet in numerous ways Cleveland's Fair has profited by Federal largess. Work

WIDE WORLD



**Crowds throng the Streets of the World, where the appeal of the foreign and the old competes with the marvels of modern science**

performed by the W.P.A., primarily for permanent improvements having no relation to the Exposition, proved vast money-savers to the management, blending into the earlier planned development and supporting Cleveland's Scotch thrift.

What a generous government failed to do was taken in hand by industrialists throughout the land. Cleveland was hard hit by the great crash, but it was air-cushioned against permanent shock by the extraordinary diversification of its industrial activities. It is the master tinker of the world, specializing in parts rather than completed units.

So it is not altogether strange that the great automobile makers, the Akron rubber-interests—even giants of industry not ordinarily given to exposition participation, like U. S. Steel—are to be found vying for public attention at the Great Lakes Exposition.

Naturally one of the most popular exhibition centers is the Automotive Building, where Chrysler, Studebaker, Ford, General Motors, the White Motor Company, and other modern transport factors demonstrate their latest creations in mass production.

#### FREE ENTERTAINMENT

The Great Lakes Exposition sugar-coats this combination of industrialism, art, culture and education, under a playful front. Collectively its marvels spell entertainment—amusement with a capital "A". Four times more free entertainment is claimed

for it than was provided at Chicago's Century of Progress. Free concerts await the visitor afternoon and night.

Of all the free shows, the greatest interest, no doubt, will center on "Radioland", a broadcasting studio occupying the large Public Auditorium, where 12,000 visitors may sit in comfort and observe the preparations and broadcasting of programs in which celebrities from the far corners of the world participate. Cooperation of the National Broadcasting Company, the Columbia Broadcasting System, and sponsors of national programs combined to make possible this world's largest broadcasting studio.

"The Parade of the Years"—an enlarged 1936 version of Edward Hungerford's sensational transportation opus, "Wings of a Century" at the Chicago Fair—awaits the visitor yearning for colorful spectacles. Then, too, there is "streamlined Shakespeare," condensed 45-minute versions of the Great Bard's most familiar works, presented in the manner and atmosphere of the old Globe Theatre in which Shakespeare played.

"Streets of the World", groupings representative of many lands, cafes giving their characteristic performances in equally characteristic atmosphere, and a typical "Midway" cater to tastes more interested in the eternal feminine than in the progress of iron and steel smelters from the old blacksmith's forge to the present mass production system.





# AS THE PRESS OF



THE LEAGUE GETS A KICK OUT OF LIFE  
From *South Wales Echo*, Cardiff



POLAND OBJECTS TO HITLER'S DANZIG TUNE  
From the *Evening Times*, Glasgow

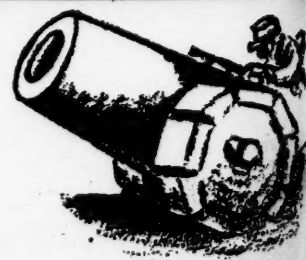
• There are many fronts to the international game. French die-hards allege that their country is "strangled" by the communist hammer-and-sickle; Italy celebrates the "death" of the League of Nations sanctions against her, and Mussolini's son-in-law parachutes from war aviation into a soft cabinet seat—from flyer to minister. Hitler and Japan get their due. Even isolated little Switzerland jibes the Japs.



WHERE ONE DEATH MEANS LIFE TO MANY  
From *Il 420*, Florence, Italy

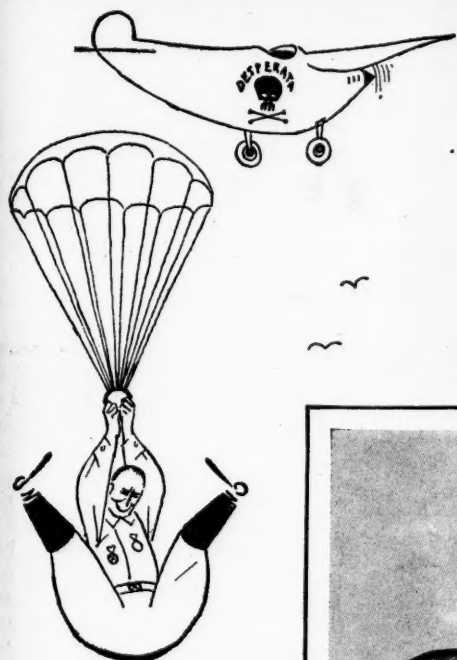


JAPANESE LIFE



AND PROPERTY

# OF EUROPE SEES THE WORLD



UNCLE SAM TALKS WAR DEBTS AGAIN  
From *Kladderadatsch*, Berlin



PLENTY TO EAT  
From the *Star*, London



A SOFT SEAT FOR MUSSO-  
LINI'S AVIATOR SON-IN-LAW  
From *De Notenkraaker*, Amsterdam



"MUST BE PROTECTED"  
From the *News*, Moscow



THE YELLOW PERIL  
From *Nebelspalter*, Zurich





## WAR BALLOT: our readers' verdict

THE READERS of this department—Behind the Foreign News—have voted in favor of Russia, in case that country becomes involved in war with Hitler's Germany. The ratio was approximately 2 to 1, with a fair-sized "neutral" vote into the bargain. Russia gained 1588 votes; Germany, 844; "neutral", 280. Polls closed on July 24.

This was a conservative American ballot, coming from all states of the Union, with a scattered vote from Canada. The number of communist and Professional German participants was negligible, and in several cases nordic Protestant German-Americans expressed their preference for Russia and their dislike of Hitler. There was no doctrinaire approval of communism, as such, although several of the "German" voters expressed their anti-semitic views without restraint.

The verdict seems to be clear. A majority of these typical Americans feel that Russia is essentially interested in home-abiding reconstruction, via the Five Year Plans and a new democratic constitution, while Germany is dangerously restive and headed for plans of foreign conquest in the 1914 fashion. To them it is a case of the plough versus the sword, and of humanitarian values.

The "neutral" vote either con-

demned both countries with an equal vehemence, or expressed sympathy for two helpless peoples headed for the horrors of big-scale war. . . . "Neither entitled to sympathy" from a Pennsylvania editor. "I would be against any or all nations who go to war" from a Minnesota teacher. "My private sympathies would be with neither and both" from an Oregon advertizing man. "A curse on both

"I am for peace" is Russia's sarcastic label on this shark with a German swastika brand

your houses" from a Massachusetts merchant. "They both need a good licking" from a Vermont business man. Others voted "Russian" or "German" with reservations and misgivings. A Holy Roman Prince voted for Russia.

The ballot was made as impartial as possible. All reference to German "aggression" or to Japan—potential ally of Germany—was omitted so as to avoid special prejudice. There was no purpose behind the ballot, save to secure accurate information as to American current opinion at its best and most intelligent. Americans have ever had their personal war-views, volubly expressed, as in the Napoleonic, World War, and recent Ethiopian periods. In this 1940 (?) case, neutrality of action must be adhered to.

The "Russian" voting of big-business men and ministers was especially interesting. Clergymen were evidently watching the "good works" of the Soviet Union, while many merchants and bankers must have felt that Nazi Germany, under Hitler, was a highly disturbing international factor.

Three things can prevent this "inevitable" Russo-German struggle: Hitler out of office, the economic collapse of Germany, or the defection

### TABULATED RESULTS: In every instance we state the Russian vote first, the German vote second, and the neutral vote third

#### By Occupations:

Business 306; 285; 62.  
Lawyers 135; 87; 18.  
Doctors 114; 30; 6.  
Clergy 39; 15; 15.  
Literary 165; 48; 27.  
Teachers 180; 81; 24.  
Students 45; 24; 0.  
Engineers 48; 21; 12.  
Clerical 123; 42; 6.  
Farmers 30; 39; 3.

#### By States:

Ala. 6; 0; 0.  
Ariz. 6; 0; 3.  
Ark. 3; 0; 3.  
Calif. 138; 72; 12.  
Colo. 18; 3; 0.  
Conn. 42; 12; 11.  
Del. 3; 0; 0.  
Fla. 24; 9; 6.

Ga. 6; 6; 4.  
Ida. 6; 6; 3.  
Ill. 102; 27; 15.  
Ind. 18; 9; 6.  
Iowa 13; 3; 0.  
Kan. 12; 9; 3.  
Ky. 12; 6; 0.  
La. 9; 0; 0.  
Me. 3; 3; 5.  
Md. 18; 6; 3.  
Mass. 81; 54; 12.  
Mich. 48; 33; 0.  
Minn. 42; 24; 12.  
Miss. 0; 6; 6.  
Mo. 24; 6; 0.  
Mont. 6; 6; 0.  
Neb. 9; 0; 0.  
Nev. 0; 0; 3.  
N. H. 12; 3; 6.  
N. J. 57; 48; 9.  
N. M. 0; 0; 3.

N. Y. 453; 237; 63.  
N. C. 6; 3; 0.  
N. D. 3; 6; 0.  
Ohio 42; 30; 6.  
Okla. 12; 6; 0.  
Ore. 12; 9; 6.  
Pa. 96; 45; 18.  
R. I. 15; 18; 2.  
S. C. 0; 0; 3.  
S. D. 3; 3; 3.  
Tenn. 15; 0; 0.  
Tex. 24; 27; 6.  
Utah 6; 3; 0.  
Vt. 6; 0; 3.  
Va. 15; 15; 3.  
Wash. 39; 15; 12.  
W. Va. 3; 0; 3.  
Wis. 6; 18; 9.  
Wyo. 0; 0; 3.  
D. C. 36; 21; 4.  
Canada 10; 4; 0.

of Poland, through which Germany must go in order to invade Russian Ukraine as the Japanese attack Siberia. These, then, are safety-valves as we analyze a war ballot on the impending Armageddon. Another would be the cessation of all international propaganda emanating from Moscow, but that today—under Stalin's influence—has reached almost the vanishing point. What is left of it is laughably ineffective. Our own—pushed from 1776 to 1850, and later by Woodrow Wilson—was much more successful, as the Metternichs and Kaisers discovered. Meanwhile, *Review of Reviews* readers appear to have voted for peace and against Hitler.

Germany defeated Russia only in Germanic Wisconsin, North Dakota, Rhode Island, Mississippi, and the vast area of Texas. The votes from all these states were small. In New Jersey, with a good-sized ballot, the contest was very close. "Neutrals" showed an unexpected strength.

Russia won out in all occupational groups, except the small farmers' ballot. Business and finance were quite close; while doctors voted for Russia overwhelmingly. Clergy, teachers, students, engineers, clerical workers, literary people, and the large miscellaneous category—housewives, social workers, tradesmen, men of art, etc.—gave Russia a substantial preference. A few military men voted, naturally, for Germany.

## That Italo-Marshall

**A modest soldier, skilled and taciturn, who has made possible the new Roman Empire in Africa**

ONE MAN GETS the aftermath credit for whipping and taking over the empire of Ethiopia. This is Marshal Pietro Badoglio of Italy, who is now 65 years old. His were the detailed, unswerving tactics which finally crumpled the East African resistance, and turned little King Vic Emmanuel into a full-fledged emperor. The marshal is, in addition, a super-expert at *boccia*, the native ball game of his home village in the extreme northwest of the Italian peninsula.

Badoglio is not a fascist. He is an old-fashioned royalist who has no special affection for Mussolini, but an instinctive loyalty to the Italian reigning family which has been so completely eclipsed by the blackshirt machine since 1922. The marshal hails from Piedmont, the Italian Prussia, or the militant nucleus which united Italy in 1861 under the Piedmontese dynasty of the house of Savoy. Badoglio and little Victor are both Piedmontese, which is by no means "Italian" in the American

sense of the word. He is a northerner.

Piedmont, population 4 million, produces a big, light-complected race which includes the romantic Waldensian Protestants. The inhabitants are semi-French, and much more stolid and phlegmatic than the Sicilians and Neapolitans who throng to the United States. The capital of Piedmont is Turin, which was the original capital of united Italy. Turin, with its far-famed Fiat works, is a model city and an industrial center of 600,000. To the south is nearby Genoa, seaport for Piedmont, whence came Christopher Columbus himself.

Marshal Badoglio hails from tiny Grazzano Montferrato, and is of humble village origin. He fought in East Africa in 1895, in Libya in 1911, and became chief-of-staff for the Sixth Army Corps—against Austria—in 1916. He reorganized after the catastrophic defeat of the Italians at Caporetto, and prepared things for the big Italian victory of Vittorio Veneto, which finished off the disrupted Austrian forces. He headed the Italian armistice commission in 1918; became army chief-of-staff the following year; and later served as ambassador to Brazil. He has visited the United States as special envoy.

The marshal was knighted, made a marshal in 1926, and governed Libya from 1928 till 1933. In 1935 he took command in Ethiopia, succeeding old De Bono, whose fascist-party connections had secured him the African job.

Badoglio is said to rank high in the Italian freemasons, and the freemasons and fascists are fervent foes. Freemasons secured Italian independence and unity under Mazzini and Garibaldi, and have ever played a leading part in Italian liberal politics. Mussolini has broken the liberal lodges, and many of the masons are now in exile. This is significant; so significant, indeed, that Badoglio is reputed to have threatened the fascists with the regular army as they marched on Rome in 1922. The ardent fascist De Bono got first call in Africa, and it was only reluctantly and late in the game that Badoglio, now Duke of Addis Ababa, was called in to take his place.

The marshal is very popular with his soldiers, for he gives them much thought and personal care. He is humane and plodding, never hot-headed, economical of lives and material. He is pragmatic, and no office theorist.

Three-fifths of his Italian army are generally stationed in the north, along the alpine ranges. Mountain warfare tactics are especially stressed, and the troops are highly motorized for quick transport up the peninsula. "Cheap" infantry is still considered the major arm of the service, and the tactical offensive is stressed in train-



PICTURES, INC.

Marshal Pietro Badoglio, war hero of all Italians, has fought Turks, Austrians, Germans, Ethiopians, and other Africans

ing. With her scanty natural resources—short on iron, coal, and oil—pauper Italy can only fight wars of quick duration, and is vulnerable to blockade by sea with her endless coastline.

The conscript infantry is very mobile and decentralized in operation, heavily armed with automatic fire-arms. The Fiat light tanks are excellent, as shown in Africa; conscription is for eighteen months at the most. Fascist volunteer militia—numbering close to 400,000—act as home-guards, police, and anti-aircraft men in case of a European conflict. Three-quarters of the more than 2,000 Italian aircraft are organized for independent action, the remainder being attached to the army and navy as subsidiaries. There are well over 550,000 boys called up in each annual conscription class, the northerners making good fighters, although by no means the equal of French or Germans, Europe's best perhaps. Badoglio and the Italian war-machine, by and large, supplement one another.

## To Sterilize?

**How is the enactment for German racial purity functioning these days in the militant Third Reich?**

RUSSIA BELIEVES in social environment, and thus in birth-control. Germany adheres to race heredity, and hence to sterilization. Each frowns on the other's sex method, although both plans are working. What then of sterilization, as prac-



ticed today in the embattled Third Reich? What of nordic racial purity?

Some 205 boards of health gave orders for 85,000 sterilizations during the first two years of the Hitler regime, which had made sterilization mandatory in the public interest. But about 2 per cent of the German people—some 1,200,000 souls—are said to be liable to this preventative if the policy is to be thoroughly carried out. Epilepsy, cretinism, dipso-mania, and mental deficiencies are legally cases for sterilization, as well as many other hereditary diseases of an anti-social character. There are 26 boards of appeal.

There have, however, been bad excesses in the administration of a theoretically salutary enactment. Backward school-children have been threatened with it in Saxony; and one "authority" has demanded the sterilization of 20,000 children yearly, for a period of some years, in a sort of juvenile blood-purge. The Kiel-district wiseacres in Schleswig seem to have an especially brutal record in the matter of youngsters. They "got" one girl there who had merely cheated in school. They "got" a boy because he married too soon; a man because he hadn't married. At Freiburg alleged "moral defectives" were threatened as if they were psychopathic!

Unhappy citizens with webbed fingers and clubbed feet are, in some cases, sterilized, regardless of sound minds and otherwise healthy bodies. Diabetics have so far been spared, but there are some extremists that demand their sterilization for the sake of racial health, offering them a reduction in taxes in exchange for submission to the operation. It is estimated that sterilization kills between 1 and 2 per cent of healthy women subjected to it, and close to 28,000 women were sentenced to the operation during 1934 alone. On the other hand, sterilization for men is a comparatively slight procedure, and in no way interferes with the satisfactory sex relationship of married life. It merely precludes the propagation of offspring of "tainted" stock. Are any nazi leaders eligible?

#### USE: NON-POLITICAL

There is, furthermore, no evidence that sterilization is being used against Jews because they are Jews, or against political opponents of the nazi regime. Its rigorous application merely typifies the spartan state in which Germany finds herself, for better or for worse. Sterilization, if properly used, is beneficial; but it is a hideous weapon if utilized by brutes or fanatics. Meanwhile, Russia has abolished legal abortion for excellent reasons, no doubt, but to

the regret of a few. Her divorce statutes, too, are being greatly modified; but she holds firmly to her place in the birth-control Big Three, along with Holland and England.

The Dutch, oldest systematic practitioners of b.c., are now the tallest and healthiest species of oft-stunted Europe. Their carefully limited families have, for generations, received a maximum amount of food and care. Their watery land is cramped for space, but birth-control—not wars of expansion—solves the problem. Holland's neighbors in Europe and Asia please note.

### "Balkanization"

**Since the World War the Balkans have nearly multiplied by three, stretching to the German frontier**

**B**EFORE THE World War there were, in Europe, the six great powers of England, France, Germany, Italy, Austria-Hungary, and Russia. There were also the "respectable" small nations of the West, and the "terrible" Balkans. The Balkans were made up of loudly quarreling little states, unstable, half-civilized, militaristic, semi-bankrupt, ever at one another's throats.

When the Balkans were not fighting one another, they were baiting the great powers; and it was Serbia's plots and plans against the Austro-Hungarian monarchy that brought about the famous assassination at Sarajevo, which caused Armageddon in 1914. Thus began the balkanization of poor old Mother Europa. The year 1918 carried it to a head through the short-sightedness of England and France. Austria-Hungary was willfully disrupted, and balkanization became complete.

Today the Balkans reach from Constantinople and the Dardanelles to the German frontier. The Orient has conquered Central Europe, with all the oriental attributes of force, trickery, graft, and suppression of the individual. The Occident is to blame. Before the war the Balkans had a restricted population of only 30 million. Today the balkanized population totals some 80 million souls. In 1914 the Balkan countries included only Rumania, Serbia, Bulgaria, Greece, Albania, and a scrap of European Turkey. In 1936 there are a bevy of them: Greater Rumania, Greater Serbia or Yugoslavia, Bulgaria, Greece, Albania, the Turkish bit, Czechoslovakia, German Austria, and Magyar Hungary. Vienna is a Balkan city, and Germany—nazi though it be—is the frontier of the West.

As usual through history, the Balkans are divided among themselves.



KEYSTONE

**King Peter II, twelve year-old monarch of Yugoslavia, strongest of the Balkan states since its post-war unification**

Rumania, Yugoslavia, and Czechoslovakia form the allied Little Entente. Magyar Hungary and Bulgaria are unreconciled to their losses in the World War. Albania is the pawn of Mussolini. Greece is internally restless, Turkey is stirring, although both are associated with the Little Entente. Czechoslovakia alone is a true republic. Nobody knows what to do with German Austria. Shall it be nazi, Hapsburg, or an Italo-German anomaly as now?

German Austria is faced with alternatives? Shall it continue as a Balkan nation, small, anarchic, church-ridden, menaced by tariff walls and militaristic neighbors, or shall it elect to join with kindred Germany and become again a part of the West? In the latter contingency, Germany's population would exactly equal that of all the remaining Balkans—73 million each. Nazi Germany is pagan, but modern; brutal, but in a sense orderly and progressive. Lovers of the romantic and picturesque may prefer a Balkan Austria, eternal source of trouble, fuss, and intrigue. The majority of German Austrians think otherwise. Like Spaniards, who have been fighting for progress, they are heartily sick of the medieval.

There were three major classes of profiteers in the World War. One of these was the munitions vendors. A second was the colony-snatchers. The third was the Balkans. Serbia tre-





bled her population, while Rumania doubled hers, and Greece added. Balkanization enveloped what became Czechoslovakia, German Austria, and Magyar Hungary. The Austro-Hungarian monarchy of 50 million shrivelled into a statelet of 6 million, over night. Petty dictatorships ruling by terror sprang up willy-nilly. Today a hard-boiled Greater Serbia baits fascist Italy, as formerly little Serbia baited Austria-Hungary. The balkanized population of Vienna is shrinking. The Hitler Reich laughs cynically, and recognizes Austrian "independence."

There is much to be said for honest Czechoslovakia, but her powerful German-speaking minority, that of Konrad Henlein, is restless under the rule of a Slavic majority. Russia remains static; Germany is hyperactive. Balkanization is an inflammatory process. Whither the devil's kindling wood, scattered from the Bosphorus to the upper Danube?

What price Woodrow Wilson's racial self-determination, which gave German Alsations to France, German Tyrolese to Italy, but denied German Austrians to Germany?

Self-determination, however, has built up *one* powerful Balkan state. This is Yugoslavia (population, 15 million; army, 200,000), which unites Serbia, Bosnia, Montenegro, Dalmatia, Slovenia, Croatia, and part of Macedonia into a single South Slavic whole. And Yugoslavia has inherited most of the old Austro-Hungarian navy, plus new submarines, and the Adriatic naval base of Cattaro.

Besides being the mortal foe of Italy, Yugoslavia is strongly opposed to any Hapsburg restoration in German Austria, refuses to recognize the red government of Soviet Russia, is friendly to nazi Germany, and would not object to annexing a kindred Bulgaria whose population is 6 million. The Yugoslavs are much more powerful than their Czechoslovak and Rumanian allies, and none too loyal to them in this period of shifting allegiances. Their democratic herdsmen are outstanding mountain soldiers. They fought three different wars in three successive years—1912, 1913, 1914!

Jugoslavia is under a now liberalized dictatorship, governed by a three-man regency and a child-king,

little Peter II. She is, religiously, Orthodox, Catholic, and Mohammedan, and there is considerable dissension between the creeds—Serbia being an Orthodox stronghold, Croatia the Catholic center, and Bosnia the local home of Islam. There is no nobility, and the reigning dynasty is of aboriginal bandit origin. The natives—as Louis Adamic clearly shows—are in many respects the "noble savages" so highly idealized by Jean Jacques Rousseau.

## ... or so they say

RICHARD BARRY: registers cynicism

"The United States has come to have a hotel heart. It will take in anything."

H. L. MENCKEN: on the Constitution

"Our government may not prevent a man from trading with any god or other supernatural mammal who offers him, in his judgment, a sufficient return for his money."

BRUCE MILTON: speaks for the reds

"Hearst has made a happy Landon."

CHINESE COP: to a Jap-insulted American

"Citizen, you will save my face if you will move on quietly. I can do nothing with the Japanese."

JOHANN E. SCHOLTZ: German racial bureaucrat

"The crossing of different races of mackerel is dangerous for the nordic mackerel, which will finish by being absorbed by the unworthy oriental mackerel."

GEORGE LANSBURY: British M. P.

"Americans do not hustle."

DR. JOE CASPER: Kansas dentist

"Landon's the ideal patient. He should be an excellent President."

GELETT BURGESS: to the Gourmet Society

"Believe me, my friends, the same bestial instinct animates the highbrow with his terrapin and the roughneck with his corned beef and cabbage. . . . I am not a belly worshipper."

PUSSYFOOT JOHNSON: dry of dries

"The more speeches I make, the wetter the country gets."

SIR PHILIP GIBBS: turns to high finance

"It is better to give than to lend, and it costs about the same."

HERBERT HOOVER: makes a speech

"The New Deal may be the valor of muddle."

# German War Machine



©KEYSTONE

**G**ERMANY IS TAKING the logical step from the totalitarian state to totalitarian war. Soldiers and guns merely form the apex of a pyramid whose foundation includes all the elements of national life. Underneath arms and the men, there exists a vast preparation comprising such diverse factors as care of infants, bauxite ore, chemical substitutes, size of automobiles, animal husbandry, and banking. Germany's leaders realize that to prepare for war, they must organize peace on a war-time basis.

The top is firmly cemented to the stones below. According to official figures, Germany possesses an army of 550,000 men. But in reality this forms but the nucleus of a far greater force. Reaching down into civilian life, into the National-Socialist organizations, the General Staff has secured for itself a huge reservoir of soldiers, ready to take arms at any time. Thus the police is militarized 100,000 strong; members of the force, purposely retired after a few years service, make up a reserve of 100,000 more. Likewise, 200,000 former Reichswehr members stand available for army service. The number of volunteers, secretly trained in the years just preceding Hitler's announcement of rearmament, amounts to 250,000. The 200,000 members of Hitler's black bodyguard have been fully trained for war. Add to these unofficial reserves the 200,000 conscripts put into the reserve after training in 1935, and the grand total constitutes an army of 1,600,000 men.

But Hitler envisages man-power as more than a force of uniformed, armed soldiers. On assuming power, he found cause for alarm in the decline of the birth-rate: in 1920, 1,600,000 births; in 1933 only 937,000. On this basis, statisticians estimated that in a few decades Germany's 67 million inhabitants would be reduced to 47 million. To correct this condi-

tion, Hitler started a campaign which included propaganda, bounties, medical attention to reduce infant mortality, and other methods of maternal encouragement. The first year's success was encouraging; births rose in 1934 to 1,181,000. This is not enough, of course. The figure must reach 1,400,000 before the population begins to maintain its present strength. So—bounties for babies continue.

Next, the weapons which these soldiers, present and future, must bear—or rather, in this mechanized world, operate. Any survey must necessarily fall far short of cataloguing all the results of German inventiveness and mechanical construction. The size and power of Germany's air force provides a subject for endless debate.

However, experts agree that it possesses the most modern improvements and challenges, in number of planes,

the strength of any other European country. Commander Dunworth, British aviation authority, writes in the *Royal United Service Institute Journal*: "We can conclude that Germany possesses some three thousand craft." And the British ought to know: it was their premier who said that Britain's new frontier was not the cliffs of Dover but the Rhine.

As for the army, mention should be made of its recently developed weapons: the air-cooled machine-gun, firing three different kinds of projectiles, perforants, explosives, and tracers; the improved 75 with a range of 15 kilometers, said by the French to outdistance their own; a 105 cannon with a range of 18 kilometers; the anti-tank cannon with a shell capable of penetrating 33 mm. of armor plate; the tanks themselves—2500 small tanks and an undetermined number of large tanks covered with 50 mm. armor-plate and equipped with powerful motors to offset this heavy weight.

Transport occupies an important position in this preparedness campaign. A vast network of auto roads, to accommodate the new motorized units, will soon cover Germany. The program at present calls for 6,900 kilometers of new roads and 24-hour labor shifts are advancing it rapidly towards this goal. Features include four-lane highways, butterfly connections, routing around towns. Meanwhile, every effort has been made by the government to increase the production of cars and trucks. By lowering taxes on autos, requiring all state officials to own cars, by urging, through traffic officers, all individuals to replace their old cars, automobile output has jumped from 20,981 in 1932 to 102,293 in 1935. By government decree the number of models of passenger cars has been reduced and a small light car, capable of driving over rough fields, has been made popular. The lesson of the Paris taxi-cab army of 1914 has left its mark on modern motorized warfare.

**By FRANK C. HANIGHEN**



REVIEW OF REVIEWS

But totalized war demands not only macadam but also iron nerves. Great railway lines, recently built, now serve all borders. Germany possesses 58,401 kilometers of lines as compared with France's 43,457. The French magazine *Vu* notes two stations, Ehrang and Einsiedlerhof, near Treves, which have been rebuilt to accelerate greater traffic. The first can handle 120, the second 110 trains per day, enough to throw 100,000 men on the French frontier in 24 hours. Bridges on the Rhine have been increased from 31 to 37, giving a daily capacity of 1,300 trains. The manifestations organized at the time of the Saar plebiscite showed what Germany could do. Storm troops, to the number of 63,000, were transported in 12 hours from all parts of Germany to Coblenz. In spite of the motorization vogue, railways still hold their own. One can't say, "The old iron horse, it ain't what it used to be."

All this equipment however, guns as well as trucks and tanks, requires raw materials: rubber, iron, oil, aluminum, nickel, etc. Germany, in the past and particularly during the World War, found herself critically deficient in raw materials and her breakdown in 1918 has been largely ascribed to this condition. A French officer, Commander Lelage d'Ervau, writing in the *Revue Militaire Française*, recently asserted that Germany today as a result of Hitler's preparedness campaign can better face a blockade than it could during the World War. The French writer possibly exaggerated a little. But it seems clear that Germany, while suffering from a dangerous shortage of raw materials, has remedied these defects in some respects and in oth-

ers it wages an energetic struggle to correct them.

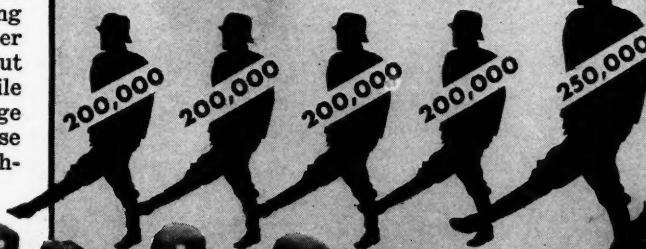
Oil for the new mechanized army constitutes one of her most important problems. In 1935, Germany consumed 2,835,000 tons of motor fuel. Slightly over one million tons were produced within the country. The synthetic oil-from-coal process has reached such a stage of development that 364,000 tons of gasoline, made from both lignite and bituminous coal, came from the great chemical oil plants last year. This by no means meets all demands—over a million tons had to be imported—but the results of speed-up offer some encouragement. For production of gasoline increased 46%, of benzol 36%, over 1934 and by this time Germany is making all of the 180,000 tons of alcohol employed as fuel. There is a desperate haste in this acceleration. Germans remember that lack of oil in the last war gravely handicapped her armies' transport in the 1918 fighting on the western front and largely contributed to her defeat. Stop oil, they know, and you stop war.

Expense and time are the factors which make this situation difficult. It costs Germany between six and eight times as much to produce a gallon of synthetic gasoline as it does to produce a gallon of natural gasoline here in the United States. And Germany badly needs money. But, within the limits of reasonable financial support, the government does not stint. Construction of two new synthetic oil plants goes rapidly forward. On the basis of the increase in synthetic oil production last year, Germany should attain self-sufficiency within three years. If war breaks out before then, domestic production plus radical rationing may enable an embattled nation to squeeze through.

No such rosy prospect exists in the iron ore situation. Germany lost most of her iron mines as a result of the Versailles treaty. Domestic production of this mineral, essential to the making of armaments, fills only one-fourth of the nation's needs; imports must supply the rest. The largest part of these imports comes from two sources, Sweden and

## AN ARMY OF 1,600,000

| MILITARIZED<br>POLICE | ARMY<br>RESERVISTS | BLACK<br>SHIRTS | 1935<br>CONSCRIPTS | TRAINED<br>VOLUNTEERS | REGULAR<br>ARMY |
|-----------------------|--------------------|-----------------|--------------------|-----------------------|-----------------|
| 200,000               | 200,000            | 200,000         | 200,000            | 250,000               | 550,000         |



REGULAR  
ARMY

PEACE IN GERMANY  
IS ORGANIZED ON  
A WAR-TIME BASIS



France, the only iron-producing countries where the Reich has a commercial balance sufficient to buy. The left parties in France, now in power, have been demanding that this "arming the enemy" should be stopped by an embargo. Should such a measure be enacted, a difficult, perhaps impossible, situation would confront Germany. While frantic efforts have been made to exploit hitherto unworked veins in Bavaria and Baden, the country obviously can never fill the needs by domestic production. It is reported that, to offset this danger, the government has been building up stock-piles of iron ore. But unless the stocking comes to very large proportions, Germany is destined to have trouble in case of another war and blockade. Rationing shells does not win battles.

The lack of other vital raw materials, particularly in the non-ferrous group, challenges the ingenuity of the totalized war experts. German industry reports great progress in the manufacture of aluminum. Germany possesses no nickel (for heavy guns and warships) nor manganese (necessary in the making of steel). But observers declare that the government has accumulated stock-piles of these two minerals. Germany produces only about one-tenth of her copper consumption, and engineers have tackled these problems with typical German efficiency. Breweries utilize glass instead of copper tubes and electricians use aluminum wires. Even the arms industry makes cartridge cases of aluminum and steel bands of patent steel. Result: aluminum use has doubled, copper has fallen to half the former consumption. Such is nazi inventive genius of today.

Substitute products come into play on two other difficult fronts in this curious war for self-sufficiency. Industry strives valiantly to produce synthetic rubber in large quantities. But high costs retard progress: synthetic rubber costs from four to five times as much as natural rubber. In the manufacture of synthetic textiles, results offer little more encouragement. Artificial cellulose fibers cost four-fifths more than cotton, and the products have proved rather flimsy. Although chemists have labored intensively on this matter, artificial fibers furnish only about 11% of the materials used by the clothing factories. In 1935, Germany had to import 163,100 tons of wool and 310,000 tons of cotton. It seems unlikely that, in the next war, any large proportion of the German army will go to glory clad in cellulose uniforms. The regulars today are normally garbed.

The most important material of all, food, lack of which undoubtedly played the largest part in the debacle of 1918, will not fail Germany in another war if preparedness plans reach completion. Since 1932, production of wheat has exceeded consumption. Yet the Reich has continued to import wheat and in 1934 the surplus of her imports over her exports amounted to 450,000 tons. Obviously the government has been storing wheat against the possibility of war and crop-failure; some estimates place the stockage of this cereal at four million tons, enough for one year's

consumption. The same condition holds true of rye and oats. The stockage of rye approaches five million tons and increases rapidly—importations for January, 1935, exceeded the total consumption for the whole year 1934. Likewise, importation of potatoes continues although production amply meets domestic requirements. Despite a domestic surplus of sugar, imports amount to five times consumption. Live-stock just meets domestic needs for meat. An 8% increase in hogs indicates an effort to overcome the lack of animal fat. The butter shortage, of course, has recently attracted international attention, but the production of soy beans may solve this difficulty. Trade figures show large imports not only of butter but of eggs, vegetables,



GLOBE PHOTO

A make-believe village is used so that German target practice seems real to a gunner



PHOTOS BY GLOBE AND WIDE WORLD

Machine guns and tanks are far more deadly now than those developed by the Great War, fought by fathers of present-day zealots.



and fruits. All in all, Germans in case of war blockade will probably fare much better than they did in the years 1914-18. But they won't have a very well-rounded diet. After all, there's no substitute for the hen's egg.

Finally, the blood pumped through this fast developing body is finance, which in Germany shows as many signs of regimentation as the munitions program and the raw material supply. In order to pay for the raw materials as just described, Germany has had to build a very complex financial system. Unable to borrow from abroad, prevented by customs barriers from pushing her products into foreign markets, Germany carries on principally through the intricate barter finance of the recent economic dictator, Dr. Schacht. His successor, General Goering, in his role as a military man, will undoubtedly carry Schacht's iron rule even further. Barter agreements with foreign countries (necessary because of the shortage of gold in Germany) provide one of the most important elements in the Schacht system, which amounts to literally exchanging German manufactured goods for foreign raw materials. Only thus can Germany buy many of the materials necessary for arms-making. To pay German munitions makers, banks must take the government's paper, a practise of credit inflation which has now reached alarming proportions. Besides 13 billion marks of the foreign debts accumulated in recent years, there exists an estimated internal debt approaching 50 billion marks. Economists agree that this cannot continue indefinitely, and General Goering faces the unpleasant possibility of devaluation.

But even if devaluation occurs, with all the inevitable misery and



This gas-masked German looks on as Hitler greets a young prospect, as Goering explains an airplane, and as Schacht meets Eckener



PHOTOGRAPHS BY KEYSTONE, WIDE WORLD, AND ACME

#### WIDE WORLD



bankruptcy which it must bring to many people, Hitler's integrated preparedness will go on. The machine which carries on its conveyor belt all parts of the country's economic system, from aluminum to flesh and blood, cannot stop. Autarchy demands totalized war preparedness, and the remorseless claims of the new warfare must continue to command man and machine alike.

Ancient Rome had a tough and efficient army. So has Soviet Russia, but neither Rome nor Russia may be considered as war-totalized. Historic

Sparta, on the other hand, was a totalitarian military state whose every resource was harnessed to the flaming chariot of Mars. This was true of free men, slaves, home life, economics, schooling, and athletics. Sparta was a fight-machine, and the Spartans were its machinelike parts from birth to death. The great new German war-machine is far more Spartan than it is Roman. General Werner Von Blomberg may be the chief-engineer, but every resource has been pressed into service to perfect the sum-totalized mechanism.



# They're All Afraid to Mention It

EVERY LARGE CITY IS WORRIED ABOUT TRAFFIC CONGESTION. THERE IS NO MYSTERY CONCERNING THE MOST EFFECTIVE REMEDY, BUT NOTHING IS DONE, LEST POWERFUL INTERESTS BE OFFENDED.

**T**RAFFIC congestion has been estimated by the National Conference on Street and Highway Safety to cost the people of the United States annually more than \$2,000,000,000. This is about \$15 per inhabitant per year, or approximately seven times the per capita fire loss. For a city of 500,000 people it amounts to seven and a half million dollars a year—a sizeable sum even in these days.

No deep mystery exists concerning the most effective way to relieve this congestion. The first important step to be taken is recognized by everyone who has studied the subject, but nothing is done about it, because they are all afraid to mention it.

That is not to say that there has been a dearth of discussion of traffic congestion. On the contrary, it has become almost as popular a subject of conversation as the weather. We have had a bumper crop of suggestions on how to improve conditions. Our situation, however, might be compared with that of a farmer of my acquaintance, to whom a book-agent tried to sell a treatise on "How to Farm Better". The book-seller outlined the merits of the book with eloquence and enthusiasm, but his most persuasive arguments failed to evoke any sign of interest from the old man.

by JOHN A. MILLER

"Young fellow", replied the farmer, "I don't need a book telling me how to farm better. I'm not farming as well as I know how, right now."

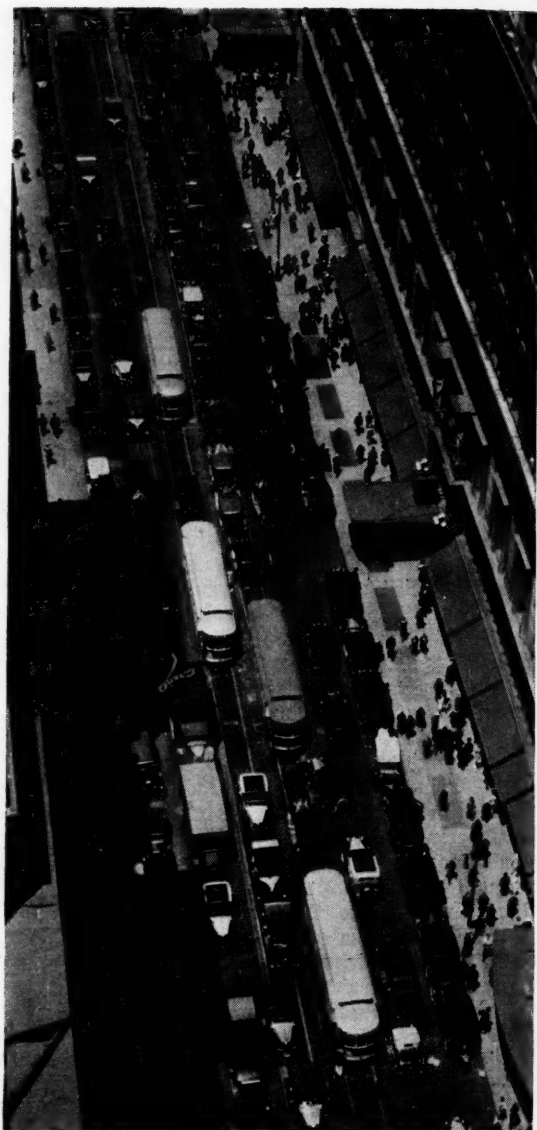
Filled with enthusiasm like that of the young book-agent, a lot of people today are seeking to sell the public a variety of costly schemes to relieve traffic congestion. To these enthusiasts we might well give the same answer that the farmer gave the book-seller. We don't need costly new schemes. We're not doing as well as we know how, right now.

The essence of the street traffic problem is parking. Discussing this subject recently in the *Baltimore Sun*, Clark S. Hobbs hit the nail squarely on the head when he said, "No matter from what point of view the problem is approached one comes eventually face to face with the fact that the movement of traffic is limited by the amount of available pavement. When this is reduced 50 per cent by parked vehicles, discussion of more rules and regulations and newer and fancier traffic signals becomes disingenuous piffle. Traffic engineers know that. Even the politicians and the 'important citizens' may be said to know it. Neverthe-

less, they have suppressed that knowledge up to this time, because the giving or withholding of the parking privilege always arouses political passions."

What Mr. Hobbs says about the situation in Baltimore is true of most other cities. Everywhere the streets are choked with parked vehicles. The requirements of moving traffic are subordinated to the demands for free storage space. The unsoundness of this policy may be admitted in private, but not many people are willing to say it in public.

This reticence is strange because parking inconveniences many times more people than it accommodates. The two curb lines of a 500-ft. city block, for example, provide space to park not more than 50 vehicles, allowing 20 feet for each one. If the street is of average width and moder-



EWING GALLOWAY

**Two lines of parked vehicles occupy one-third of the road space on this busy street**

ately busy, at least 1,000 vehicles will pass through the block in an hour's time, all forced to move in the two center lanes because the two lanes nearest the curbs are being used for storage instead of movement. Thus there will be twenty vehicles inconvenienced for every one accommodated.

It may be argued that more than 50 vehicles could be parked along the curbs of this block if the average space allotment were reduced to something less than 20 feet per vehicle. That, no doubt, is true in theory, but it doesn't happen. When allowance is made for hydrants, driveways and the like, the number of vehicles is more likely to be under, rather than over 50 in a block. Or it may be contended that more can be parked during the course of an hour if the average stay is short. That, again, is true in theory, but questionable in practice, since not all the space is occupied all the time. In any event, these arguments are quibbles. No matter how the calculation is made, the basic fact remains that far more people are inconvenienced than are accommodated.

Why, then, should there be any hesitancy about abolishing parking where it interferes with traffic movement? One reason is that many retail merchants are bitterly opposed to restriction of parking around their stores. They fear that it would injure their "carriage trade". As an executive of a prominent New York store expressed it, "We are more interested in a single customer who comes to our store by automobile than in 10,000 other people who merely pass by in the street."

That theory may be very well so far as any one particular merchant and his own store are concerned, but to other merchants his customer is only a "passer-by." If we don't give the "passers-by" a chance to pass by, nobody will have any customers.

Curiously enough, a check made at the entrances of the very store whose head expressed such concern for his "carriage trade", showed

less than two per cent of the persons entering the store to have come from private automobiles parked on the adjacent streets. The great majority, it appeared, had either come by public transportation vehicles, or had walked to the store.

This small proportion of customers from parked automobiles will not astonish anyone who has considered the simple mathematics of the situation. The conclusion is, indeed, inevitable. If a store has a street frontage of 100 feet, five automobiles can be parked along its curb. If none of these automobiles remains longer than half an hour, a total of 80 can be accommodated during an eight-hour day. Supposing, further, that the passengers average about one and a half per automobile, a figure which traffic checks have shown to be usual, then a total of 120 persons per day can be accommodated by street parking in front of the store.

To a store with a frontage of 100

feet on a busy thoroughfare 120 customers a day is only a drop in the bucket. The chances are that such a store would have more than 120 clerks. If it did not have many times that number of customers it could not afford to maintain its establishment.

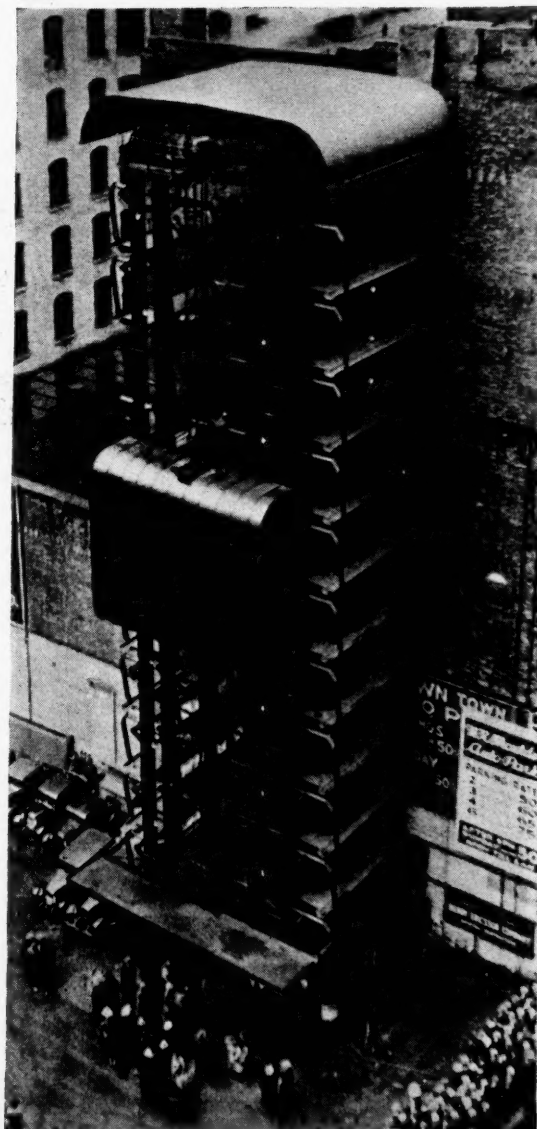
In striking contrast to the limited number of patrons who can be accommodated by the privilege of parking in front of such a store is the number brought by public transportation vehicles. In New York, for example, the Fifth Avenue buses deliver an average of more than 1400 customers a day to the store of B. Altman & Company, and more than 1200 a day to Lord & Taylor's. In other cities the story is the same. Nowhere does the number of private automobile customers constitute a large proportion of the total patrons of a big store.

"Granted", say the merchants, "but the automobile customer is the best customer in point of dollar value of purchases." This is a plausible theory, and may, indeed, be the fact. To prove it or disprove it as a general principle would be extremely difficult, for that would require a lot of questioning of customers about their purchases and their means of transportation—questioning which would scarcely be received with marked enthusiasm. It is significant, however, that a check of this kind actually made in Los Angeles a short time ago showed that the total purchases made by the occupants of each parked automobile averaged only \$2.15.

To the store with a 100-foot frontage that average rate of purchases would mean a revenue of \$172 a day from the automobiles parked in front of the building. Assuming an investment of \$40,000 a front foot for land, building and stock—a moderate enough figure—interest on the investment and taxes alone would amount to more than five times as much per day as the gross business derived from the parked automobiles.

But, enough of figures. Any way you look at it, the mathematical argument runs strongly against parking. The trouble is that questions of this kind are seldom settled on the basis of mathematics. Psychology enters the situation and plays a larger part than figures.

ACME



**This Chicago parking machine puts 48 cars in the space of four**



Psychologically the problem of parking is a difficult one. The average free-born American feels that he has an inherent right, guaranteed by the Constitution, you might almost say, to park his automobile wherever he wants to, whenever he wants to.

Legally there is no basis for this idea. That parking is a privilege, not a right, has been established in law for more than a hundred years. Way back in the reign of King Henry VIII an English inn-keeper was haled into court for obstructing traffic by allowing his coach to stand unattended for long periods on the highway outside his inn. The case was finally brought before the House of Lords, which held that a highway is for the movement of traffic and not for storage of vehicles. In 1812 this principle was reiterated in a decision by Lord Chief Justice Ellenborough, wherein he made the very definite pronouncement that "The King's Highway is not to be used as a stable yard."

Despite the lack of legal basis for the idea that parking is a right, most people continue to regard it in that way, and set up a fearful outcry if any suggestion is made to abolish it. That is the reason why city officials are so easily persuaded to support costly schemes for widening streets, building elevated highways and the like. Such improvements cost millions, and do far less to relieve congestion than could be done at no cost at all by eliminating parking, but they don't deprive anyone of what he considers to be his rights.

#### CHICAGO'S EXAMPLE

Only one city in the United States has ever dared to tackle the parking problem frankly and fearlessly. Chicago abolished all parking in its "Loop" district on January 10, 1928, and has refused to retreat from that stand in spite of a certain amount of agitation to have the ordinance modified. The movement of traffic in the "Loop" district has been greatly facilitated by the elimination of parking, and the merchants have not suffered any noticeable loss of business. On the contrary, their business reports indicate exactly the reverse, and the large merchants who were once doubtful or opposed, have recently been outspoken in favor of parking elimination. As yet, however, no other city has had the courage to follow Chicago's example in a convincing way. Such steps as have been taken elsewhere to abolish parking have been timid and faltering. Some, even, have been retraced almost as soon as they were taken.

The serious consequences of failure to solve the traffic problem is reflected strikingly in a recent edi-

torial in the New York Times. "Peering far into the future" says the editorial "it is possible to glimpse a day when lumbering private automobiles may be regarded as an anachronism in a congested metropolitan center like lower Manhattan, perhaps to be banished altogether from certain streets during certain hours, as chariots were in ancient Rome."

#### A SIMPLE PROBLEM

What a confession of inability to deal effectively with traffic congestion! The suggestion is made in all seriousness to banish vehicles from the streets, when the streets were built for the very purpose of providing for the movement of vehicles. But no word is said about the far simpler remedy of simply banishing the parked automobile so that moving vehicles can really move.

Physically, the problem of eliminating parking is simple enough. Surveys made in many cities show that there is already ample off-street storage space for all vehicles now parked on the streets. Some of the present off-street storage facilities are not particularly attractive, it must be admitted, being no more than remodeled buildings of uncertain age, or vacant lots. Moreover, the price charged often appears rather high. In this connection, however, it must be remembered that the proprietor of a downtown garage is more or less forced to live on the crumbs that fall from the table. His customers are largely the motorists who cannot find a convenient place to park on the streets.

Elimination of parking in congested districts would entirely change this situation. The garage proprietor could then count on a fairly steady volume of business and he could afford not only to provide better facilities, but also to charge lower prices. In other words, if the demand were created, the provision of adequate facilities would follow automatically. Vacant lots might continue to be utilized to some extent, but the main reliance would be up-to-date, built-for-the purpose, garage structures operated on a straight forward business basis. Sometimes suggestions have been made that municipalities should undertake to provide the off-street parking facilities. It is difficult to see, however, what real justification there is for a municipality engaging in what is essentially an ordinary commercial undertaking.

The use of off-street storage space, of course, involves some slight expense, and nobody would relish that, but it is a price that will have to be paid if the streets are to be restored to their real purpose, the movement

of traffic. For that matter the motorist may soon have to pay for storing his automobile wherever he puts it. Already some cities are experimenting with schemes to charge a small fee for street parking. In Oklahoma City, for instance, parking meters have been installed so that one may park one's automobile for fifteen minutes or more on the main business street on payment of five cents to the meter which automatically raises a flag at the expiration of the time limit. This probably is the most paradoxical of many parking paradoxes. The city, in effect, sells to a limited few of its citizens the roadway space that rightfully belongs to all of its citizens.

#### THE PARKING METER

In any event the parking meter does nothing to relieve congestion. It is little more than an automatic check on the observance of parking time limits—and these time limits are of no particular help to traffic movement. They may permit a given space to be used by a somewhat larger number of people during the course of the day. They may curtail some of the present parking abuses. But they fail to accomplish what is really needed. They do not restore the traffic lanes along the curbs to the use of moving vehicles. Without that the roadway space on busy streets will continue to be inadequate to meet the demands upon it.

Sooner or later the situation must be faced frankly and openly if any real progress is to be made in relieving traffic congestion. Under the policy of evasion so generally followed we are actually farther from a solution of the problem than we were 25 years ago. In New York, for instance, there would be far less congestion today if the traffic regulations promulgated when General Theodore A. Bingham was Police Commissioner, were still in force. According to Article III, Section 7, of the Rules for Driving and the Regulation of Street Traffic issued by the Police Department of the City of New York, Feb. 8, 1909 "A vehicle waiting at the curb shall promptly give place to a vehicle about to take on or let off passengers." Unfortunately this sound principle of using the curb line in connection with vehicle movement rather than vehicle storage, has been allowed to pass quietly away, unhonored and unsung.

Growing public concern over the fatality rates in automobile accidents has brought all matters concerning traffic under close public scrutiny. The parking problem certainly merits a share of the same interest, from pedestrians and citizens generally, drivers included.

# Disobedient?

## *or—Hard of Hearing?*



*"Didn't you hear me, son? I asked you to put away your toys."*

A CHILD who seems to be disobedient, inattentive or dull may really be unable to hear well. He often assumes a position that favors his hearing. Any habitually unnatural position of his head may indicate impaired hearing.

Parents should watch their boys and girls and observe their response to sounds. Examination of the ears and hearing should always be included as a part of a child's general health check up—particularly during the preschool age.

Many thousands of children who now have hearing defects may be spared lifelong deafness and retarded mental development if ear troubles are promptly detected and receive expert medical care.

Middle-ear abscesses and infections are a frequent cause of deafness. They may result from infections in the nose and throat such as follow common colds, scarlet fever,

measles, diphtheria, and influenza. Enlarged adenoids and diseased tonsils are also a danger to hearing.

Ears should be examined after recovery from an attack of any infectious disease.

Schools equipped with an acceptable type of the phonograph audiometer possess an aid of great value in the early discovery of deafness in children.

There are scientifically constructed instruments that assist hearing; but before selecting one of them, a deaf person should consult an ear specialist. Some people are sensitive and hesitate to use these aids to hearing. No one should feel more sensitive about using a hearing aid than about wearing eyeglasses.

The Metropolitan will gladly mail, free, a copy of its booklet "Hearing." Address Booklet Department 836-V.



**Keep Healthy—Be Examined Regularly**

## METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, Chairman of the Board ~ ONE MADISON AVENUE, NEW YORK, N. Y. ~ LEROY A. LINCOLN, President

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# THE PULSE OF BUSINESS

**O**UR INDEX of general business registers 89½ per cent of normal, rising in a few swift strides from an average of 80 that had been maintained throughout April and May. A year ago the index stood at 66.

Recovery, indeed, has been so extraordinary as to cause us to double-check the data. But freight-car loadings, themselves a good index of business, show a rise from 82 per cent of the ten-year normal in early April to an average of 90 per cent during the first two weeks of July. Shipments of the United States Steel Corporation, another good barometer, have been running 40 per cent better than last year. Farmers' cash income from marketings during the first five months of 1936 was 301 millions better than in the same months of 1935. And so on.

Within three weeks, ended in early July, the veterans had turned in their shiny-new bonds for cash to the extent of one billion dollars. The rush was then over—524 millions cashed the first week, 369 millions the second week, 87 millions

the third week. In all, \$1,900,000,000 of the bonds had been issued, and two-thirds of them were expected to be cashed.

## JUGGLING BILLIONS

This sudden flow of money into the pockets of several million heads of families may be responsible for retail sales throughout the country, in July, that were 10 to 30 per cent better than last year. That situation is reflected in our index of distribution, which rises from an average of 83 per cent throughout May and June to 91 per cent in July.

It was to head off, far in advance, a credit inflation of unprecedented possibilities that caused the new Board of Governors of the Federal Reserve to go into action on July 14. At that moment the country's reserve deposits aggregated 5.6 billions of dollars. This was an excess of 2.9 billion (each dollar of which was potential credit of ten dollars), and they were expected to go much higher within a month. So the Board raised the various reserve requirements by 50 per cent. In its bold-

ness, though not unexpected, and the ease with which it deals with thousands of millions, the move ranks with the reduction of gold content of the dollar, which resulted in a paper profit of more than two billions for the Treasury.

## DROUGHT LIFTS PRICES

Drought in the Northwest, equaling in severity but not in extent that of 1934, caused wide swings in the price of wheat and corn. Wheat did not reach its January high of \$1.36 per bushel (at New York). It had become known that the American farmer had increased his wheat acreage materially, in spite of Government contracts, so that the market price had fallen to \$1.08 in June; and the drought scare then raised it perhaps 16 cents.

Corn, however, reached a new high, jumping from 76 cents a bushel in June to \$1.06 in mid-July. The situation in the corn belt, with temperatures long sustained at far above 100 degrees, and no rain for a month, reached the proportions of a major crop disaster.

Unfortunately, while consumers thus pay more as a result of the drought, farmers actually receive less because they have fewer bushels to sell.

## GENERAL BUSINESS INDICES

| JULY 20<br>1935    |                                  | WEIGHT<br>FACTOR | JUNE<br>27 | JULY<br>4 | JULY<br>11 | JULY<br>18 |
|--------------------|----------------------------------|------------------|------------|-----------|------------|------------|
| FINANCIAL ACTIVITY |                                  |                  |            |           |            |            |
| 25                 | Stock Sales.....                 | 2                | 23         | 23        | 25         | 29         |
| 92                 | Bond Sales.....                  | 1                | 81         | 79        | 84         | 97         |
| 12                 | Money Rates.....                 | 4                | 17         | 17        | 17         | 17         |
| 109                | New Financing.....               | 2                | 111        | 120       | 84         | 88         |
| 49                 | Bank Debits, N. Y. C.....        | 4                | 50         | 50        | 52         | 48         |
| 47                 | Deposit Circ., N. Y. C.....      | 4                | 48         | 50        | 52         | 49         |
| 47                 | INDEX                            | 17               | 48         | 49        | 46         | 46         |
| DISTRIBUTION       |                                  |                  |            |           |            |            |
| 83                 | Bank Debits outside N. Y. C..... | 10               | 87         | 93        | 97         | 94         |
| 90                 | Deposit Circ., out. N. Y. C..... | 10               | 97         | 101       | 102        | 101        |
| 67                 | Merchandise Carloadings.....     | 11               | 75         | 78        | 76         | 78         |
| 74                 | INDEX                            | 31               | 86         | 90        | 91         | 91         |
| PRODUCTION         |                                  |                  |            |           |            |            |
| 56                 | Bituminous Coal.....             | 3                | 80         | 80        | 80         | 79         |
| 106                | Crude Oil.....                   | 3                | 116        | 112       | 113        | 114        |
| 53                 | Commodity Carloadings.....       | 8                | 71         | 73        | 73         | 73         |
| 77                 | Electric Power.....              | 7                | 123        | 130       | 129        | 132        |
| 59                 | Steel Production.....            | 9                | 100        | 102       | 105        | 106        |
| 71                 | Automobile Production.....       | 6                | 128        | 133       | 136        | 136        |
| 34                 | Construction Contracts.....      | 11               | 63         | 74        | 70         | 72         |
| 101                | Cotton Consumption.....          | 5                | 133        | 142       | 141        | 142        |
| 67                 | INDEX                            | 52               | 97         | 102       | 102        | 103        |

65.9 INDEX OF GENERAL BUSINESS 100 85.2 89.4 89.1 89.5

Weeks end with Saturday. Figures represent percentage of normal. Distribution items are based upon an average for the years 1926-31; new financing, automobile production, and cotton consumption, upon 1927-31; construction contracts upon 1926-32. All others use 1919-1931 normal. Carloadings and coal data are of previous week.

## PRODUCTION ABOVE NORMAL

Largest cloud on the business horizon was the threat of a strike in the steel mills (see page 20), not so much to improve the lot of workmen as to see who's boss in labor's high command. No one minimizes the seriousness of such a strike to business recovery. For that reason it is accepted that the Administration will allow nothing to happen for three months at least, until the presidential election has been decided.

In our index of production there are seven items excluding commodity carloadings. Five of these are running far in excess of normal. Bituminous coal and construction are the only laggards. This division of the index passes the 100 per cent mark for the first time since depression first laid its heavy hand.

Questions: Are we really back at full speed—in the output of such widely divergent things as oil, electricity, cotton, steel, and automobiles—with millions still out of work? Have the big concerns come back faster and more surely than small businesses?

# FROM THE TRADE

Sidelights from leading commercial and professional journals, on current business. By Duart MacLean

## RENTS IN NEW YORK

The current issue of *American Architect and Architecture* reports the findings of New York City's Mayor's Committee on City Planning, in a survey of rental figures. "There are a million families in New York City who pay \$20 or less per month for rent. More families pay less than twenty than pay more than sixty."

## WORKERS ARE VALUABLE

The *Foundry* reports an appeal by the National Safety Council for co-operation from American industry to assist in the saving of workers' lives, 18,000 of whom are killed in traffic accidents each year.

"It has been estimated that each automobile accident resulting in a fatality represents an average loss to the community of at least \$50,000. The skill and experience of a man, whether in industry or some other type of employment, is difficult to replace and the cost of hiring and training new people is a serious item of expense."

## WOMEN WHO GOT THINGS DONE

From *The American City* comes the story of the successful reforms in Stephenson, Mich.

"Back in the boom days of 1929 the women of this town found that the men in office did not want to coöperate with them in putting through some worthwhile civic and community improvements, among these a fine village park. They decided that the only way to accomplish their purpose was to elect women favorable to their program."

Having done this, they bought their park, a new fire siren, a village refuse dump, improved the streets and water mains, repaired the village hall, and balanced the budget.

"Now, in 1936, the women have retired from office—all of them—because there appear to be no more worlds to conquer."

## WATER INTO SUGAR

The July *Facts About Sugar* tells of experiments being conducted in Paul, Idaho, with an artificial rainmaker.

"The sugar content of the beets grown on the land used in the experiment has been 17 to 18 per cent in former years. If the content shows an appreciable gain as a result of the experiment, it

is possible that rain machines may be adopted as regulation equipment. An hour's spraying with the machine is equivalent to an inch of rainfall."

## COALS TO NEWCASTLE

*Export Trade and Shipper* brings word that Japan is now manufacturing sauerkraut for export, and reports orders for several thousand cases from Germany!

## TWO BILLIONS SALVAGE

From the *Wall Street Journal* comes this report on governmental finance:

"Expenditures by the federal government between 1932 and 1936 are analyzed by John C. Gebhart, director of the National Economy League, to show probable recoverability of the \$13,119,386,142 emergency outlay of that period: \$9,226,503,695, or 70.3 per cent are avowedly non-recoverable, \$1,358,217,346 doubtful and \$2,132,534,705 probably recoverable."

## SMALL TOWN PROSPERITY

A number of surveys covering individual business groups throughout the country have come to our attention, almost all of them indicating that retail business has improved to a greater degree in small towns than in larger cities. *Hardware Retailer*, in a nationwide survey, although it pictures hardware retailers generally in a strong position, clearly indicates the superior improvement in cities of less than 1,000 population.

It would be interesting to know whether this phenomenon has any basis in economic laws governing depressions, or is merely a temporary happening, influenced by chain-store operations in larger cities.

## MONEY IN OUR POCKETS

The *American Banker* reports the effect of the bonus payments as follows:

"As a result of the payment of the bonus to the veterans, money circulation in the United States registered a huge increase in June, according to the regular monthly statement of the U. S. Treasury. Money in circulation during June expanded \$288,501,758, to an all-time peak of \$6,240,793,949."

## ALCOHOL FOR AUTOS

There has been so much discussion, of late, of the use of alcohol fuel in automobiles, that it is interesting to note in *World Petroleum* a survey of the experiences of Europe with this mixture.

Eleven nations, which have enacted laws providing for the compulsory use of alcohol in gasoline "... with a total motor fuel consumption of 576,448 tons are sustaining a yearly loss of over \$150,000,000 or an average of \$36 per car through this expensive policy."

## ALWAYS SOMETHING NEW

We are always fascinated by the lists of new products which appear in *Chemical Industries*. This month the weather induces us to acclaim a "non-wilt" collar lining, which promises to withstand even the assaults of a commercial laundry. Also some new uses for grape-seed oil, and a synthetic fiber one-third thinner than the finest natural silk.

# "KING" CHANGES RULES OF GAME FOR ELECTION

In Arthur L. Lippmann's latest *Wonderland* satire, King Roosevelt, White Knight Landon, Duchess Farley, and Alice Public are hilariously depicted. Here's a sample (from *LIFE* for August):

"'Excuse me, please,' said Alice, 'if I interrupt to say it seems to me you change your rules a dozen times a day. The only time the game reflects a dash of rhyme or reason is when you play around the gay electioneering season!'"

And for his part in *LIFE'S* campaign of lampooning politics, Frank R. Kent makes amusing contrast of the platforms (Dem. and Rep.) and their idiocies, but signs off as follows:

"The platforms on both sides cease to be really important and become equally absurd. In the main, the voters will choose between the men, not the things they promise. It is, in fact, even simpler than that. As in 1932, the people will vote for or against the sitting President."

## Your money's worth

in other features, too—such as Don Herold, George Jean Nathan, Kyle Crichton, Gurney Williams, W. E. Farbstain, Joe Bigelow, Dorothy McKay, and many other high-lighters of good humor—to say nothing of *LIFE'S* "Are You Sure?" department—that popular mirror of intelligence. All for 15¢ a copy (on newsstands 20th of every month) or \$1.50 a year if you

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## The War on Crime

EDWIN TEALE IN *Popular Science*

IN A DARKENED auditorium at Trenton, N. J., a few days ago, nearly 500 police officials sat fascinated by a new kind of talking picture, an animated rogues' gallery which soon may rank with fingerprinting as a scientific aid to identification.

Produced under the direction of Col. H. Norman Schwarzkopf, for many years Superintendent of New Jersey State Police, the experimental reels replace conventional "wanted" circulars with 300-foot sound movies. They show the criminal walking, talking, lighting a cigarette, going through a standard routine which reveals to watching detectives vital information about the gait, expression, and mannerisms of the hunted man.

J. Edgar Hoover, Director of the Federal Bureau of Investigation, has become interested in the idea and further tests are under way in the scientific crime-detection laboratories at Washington, D. C. Eventually, it is hoped, the archives of master negatives will be established just as files of the fingerprints of notorious criminals are maintained at present.

Behind this innovation, which has brought Hollywood technique to the crime laboratory, lies more than a year of research and testing. Special apparatus, designed in collaboration with engineers of the Radio Corporation of America, makes it possible for an inexperienced police officer to turn out perfect sound reels. The whole equipment, including a movie camera with three lenses, a portable sound-recording apparatus, six floodlights, two spotlights, microphones, and a collapsible studio of iron rods and gray curtains, can be packed into a half dozen suit cases and carried in a small car.

In the event of a nation-wide man hunt, such talkies of a criminal could be distributed to theaters as well as to police stations. Thus, in a short time, millions of people would be put on the alert, watching for the wanted man. Catching crooks with real-life "crook films" promises a radical advance in criminology.

And it is but one of many new developments in police technique. In all parts of the country, science is forging new weapons for its endless war on crime.

To bring a crime-detection laboratory right to the scene of a murder as soon as the report comes in, officials of the Nassau County Police Department, on Long Island, N. Y., recently introduced a fully equipped trailer which can be hooked to a patrol car and rushed from headquarters at an instant's notice.

This mobile laboratory carries short-wave radio, a plug-in telephone, fingerprint files, photographic equipment, and a wide variety of scientific aids to crime detection. Fifteen and a half feet long, seven feet wide, and six feet high, it can travel at top speed along any highway.

Another advance, recently announced, promises to clip precious hours from the time required to take up the trail of a criminal. The other day, the Federal Com-

munications Commissions, in Washington, D. C., announced a shift in its allocation of radio wave bands. This will make possible a nation-wide network of police broadcasting stations using short-wave frequencies to send messages in code.

For nearly a year, the one-kilowatt station WWV, at Beltsville, Md., has been making trial broadcasts under the direction of the Bureau of Standards and the Department of Justice to determine what the reception of police messages would be on different wave bands. Five times a day, four days a week, the experimental broadcasts have gone on the air.

In addition, several cities in the Middle West, including Indianapolis, Ind., St. Louis, Mo., Kansas City, Mo., and Minneapolis, Minn., have carried on extensive tests with intercity radio flashes. A special code, combining letters and numbers, is employed in the work. It is used in teletype and telegraph communications as well as over the air. At frequent intervals the code is changed.

## The Imperial Cat

FROM TOKYO *Asahi Shimbun*

THOSE who do not possess much affection for cats and believe them to be treacherous creatures will doubtlessly not feel inclined to believe that the present-day Japanese cat is of imperial origin, or, in other words, that the first ancestors of the domestic cat in Japan hail from the imperial court in the days of Emperor Ichijo in the year 999. In that year a pair of cats, male and female, were brought over from Korea in a treasure ship fully laden with annual tributes to the Japanese throne in the shape of valuable Buddhist scriptures, and were presented to the imperial household of Japan as a special favour.

On September 19 of the same year, this feline couple gave birth to the first lot of kittens to be born on Japanese soil, and Lady Higashi Sanjo-in, the mother of Emperor Ichijo, was so pleased at this that she not only had the most important ministers of state look after their bringing up, but graciously presented each of the kittens with a set of rice-bowls as well as clothing neatly wrapped in boxes. One of the foremost ladies-in-waiting was even commanded to act as their nurse. Furthermore, in recognition of the meritorious services rendered by the mother cat in giving birth to the first kittens born on Japanese soil, the fifth grade in court rank was awarded to her, and she was christened in person by Her Imperial Highness.

Probably due to the great care exercised in preserving the breed of these cats of royal birth and the fact that they were cared for as domestic pets only by the imperial household and a few of the higher court nobles, no records can be found of cats being kept in the homes of the common populace of Japan during the next six centuries. Considering that pure-bred Japanese dogs, such as the Tosa and Akita have been steadily decreas-

ing in number ever since foreign dogs began to be imported into Japan in large numbers about half a century ago, the Japanese cat can boast not only of being in no way inferior to Persian, Angora or Siamese cats as regards beauty, but can justly be proud of having been able to preserve their purity for almost ten centuries.

A glimpse into Japanese drama and folklore will bring to light numerous instances in which the cat is unjustly treated as a bewitched and treacherous creature. This is to a great extent due to the influence of Buddhism, and even in this present age of modern civilisation, it is quite a common practice in Japan to chase off a cat—even a well-liked pet—from the head of the coffin of a deceased person on the ground of its being an ominous sign. This strange belief seems to originate from the absence of the cat in the picture of Buddha's *Nirvana* depicting all creatures, including nearly all species of animals and birds, showing signs of deep sorrow over the passing-away of Buddha. The latter was believed to have come to the conclusion that the cat was beyond redemption, and Buddhists still adhere to the idea that the cat is an ominous creature.

## The Inexplicable English

COMTE SERGE FLEURY IN *Le Correspondent*

THE ENGLISH remind us of these personages the Renaissance shows posed on walls and in paintings—figures draped in gorgeous mantles, stepping slowly forward, as if they knew they had eternity ahead of them in which to realise their important schemes.

They are sure of themselves because they possess the truth . . . They walk straight ahead, guided in full night by stars that belong to them alone. They know the means to use in order to make their country a vast and powerful empire.

If you want to convince yourself of the correctness of this statement, ask the first person you meet. One of these "My Lords," of whom Ronsard talks, will hold the same views as a Covent Garden dealer; the shopkeeper who sells gloves with a flower in his buttonhole in an elegant Bond Street shop will say the same thing as the employee at Harrods.

This *ensemble* of approval, comparable in its harmonious effect to the perfectly regulated movements of hundreds or thousands of athletes executing the same figures in marvellous synchronism, is not the result of any external influence or pressure. It has often been said and written that the reason why the English think alike on the Ganges and the shores of the Red Sea is that they are obeying a slogan, that they are under the influence of their newspapers which unceasingly remind them how honourable and satisfying it is to belong to the Empire. But in reality these ways of thinking and feeling come from the heritage bequeathed by their ancestors. They are rooted convictions. The British no more think of discussing them than a Roman Catholic would dream of questioning a word in the Gospel.

According to some observers the man in the street in Great Britain is not particularly interested in foreign politics; in any case he is far less interested in them than in a minor county football or cricket match. The reality is different. Those who consider it their duty to attack ceaselessly and criticise violently a Government which does not represent their political opinions, those who are ready to find fault on the details of dole,

tariffs, taxes, quiet down the moment questions of foreign policy are raised. These questions are above them, and they consider therefore that they do not concern them. Their mentality is not in the least that of the *habitués* of the *Café de la Gare* or of the *Café du Commerce* who recklessly discuss the actions of their foreign minister and tell their bridge or *belote* pals how they would have steered the governmental ship if only they had been entrusted with it. The English consider that they cannot do better than obediently fall into rank, stand to attention and rely entirely on the competence of their ministers to hold the position. It is not a merit in themselves that they adopt this attitude, that they observe such detachment; they feel themselves protected by an almost divine power against dangerous adventures and risky methods.

This power, which impresses and holds them, as if it were an invisible and quasi-supernatural force—the Crown—inspires the most sceptical, even those who have no church, with affectionate and tender respect, to show their loyalty to sovereigns whose doings, even the most ordinary, are followed sympathetically.

Englishmen, those in the street as well as those of the castles and drawing-rooms, hear now and then pessimistic voices. Some prophets of evil proclaim that Great Britain is no longer an island. Such a statement is regarded by them as a poor joke, and insistence on it as a breach of good manners. When Mr. Baldwin almost solemnly announces in Parliament that Great Britain has moved her frontiers to the left bank of the Rhine, the Englishman listens politely but is not particularly disturbed by such a statement. He looks upon it as an adroit move, as an inevitable concession to allies who see dangers everywhere and who, at the slightest provocation, bring up the question of their security.

And why, in truth, should they be concerned? Great Britain constitutes a country apart. She is situated in Europe but is detached from the Continent. On certain very rare occasions when the interests of Great Britain and Europe happen to be the same, she remembers that she is a European country; for the rest of the time she has other problems to worry about: she is kept busy looking after her Dominions and arranging economic agreements with them. Nor does she neglect the United States; she may banter Americans frequently, but one suspects that this is only in order to convince herself of her superiority over them; for actually, she is constantly out for their approbation, their collaboration and their business.

## A Close Election

RAYMOND MOLEY IN *Today*

THE FIRST Landon-Roosevelt poll published by Dr. Gallup's Institute of Public Opinion provides the unexpected news that sentiment in this country is about evenly divided between the two outstanding candidates for President.

After personal study of Dr. Gallup's methods, I am convinced that his polls are scrupulously honest and as scientific as present knowledge can make them. Their accuracy has been proved on a number of occasions in the past. They are better indications of public opinion than the *Literary Digest* poll, for reasons too technical and numerous to set forth here.

The Gallup poll shows that the popularity of Presi-



dent Roosevelt has dropped from 55.8 to 51.8 in one month; that 13 states are safe for Landon and that 8 more are for Landon by a narrow margin; that 24 states are safe for Roosevelt and 3 more states are for Roosevelt by a narrow margin. On this basis, Landon would receive 272 electoral votes as against Roosevelt's 259. It takes 266 to elect.

But in any straw vote the important thing to note is the *trend* of public opinion. The Gallup poll shows a sharp nation-wide swing away from Roosevelt. In only 7 states has there been a gain in his popularity. In the Middle West, the real battleground in this campaign, there has been a general subsidence in the pro-Roosevelt sentiment. Kansas, Nebraska, Iowa and South Dakota, which a month ago were doubtful states, are now decisively for Landon. Minnesota, Illinois and Indiana are for Landon by a narrow margin.

This poll did not register Lemke votes. But it seems probable that Lemke will get enough votes in the doubtful states of Minnesota, Michigan and Ohio to put them definitely into the Landon group in next month's poll.

Polls are not elections. Nevertheless they not only reflect a changing situation, but themselves influence changes in sentiment.

Whether this startling indication of Landon's strength will influence the future strategy of the Democrats remains to be seen. If they do not deceive themselves, it will. It seemed to thoughtful people that the warlike note struck in Philadelphia, which could only be interpreted as the assurance of a continuation of Leftist reform, was unsound politically because the country was temporarily tired of reform. The Gallup poll provides impartial evidence to support the wisdom of that judgment.

## Marriage as a Career

CHARLOTTE MURET IN *Harper's*

THE IDEA is abroad that marriage as a profession is somehow inferior to a job; that the mere wife is a parasite compared to the busy worker. It is esteemed more honorable to labor at a typewriter for a "boss" than to cook and mend for a husband, and the measure of self-respect is the pay-envelope which gives "independence." Wives compare themselves to the "career woman" whose prestige is so great, and think that they too might have earned money and been free and envied as a stenographer, a teacher, or a newspaper woman. Thus I often hear married women say apologetically, "I am afraid I don't *do* anything (!), my husband and children seem to take all my time," as though they were at fault.

Why is it that to-day so many women do seem to find matrimony insufficient? The reason usually given is that the tasks of married life no longer fill a woman's time or occupy her mind as they did in the day when "domestic economy" was more complicated and to run a household was to conduct a variety of minor industries. It is true that our housekeeping involves less labor than did that of our grandmothers. But although they complain that modern conveniences have robbed them of most of their home occupations, I am not sure that modern women devote all the time to their homes which they could profitably employ there. Do they not hurry to buy every new gadget which will save them labor and so give them more time to spend on committees, in lecture rooms, or at the movies? Lack of

home occupation then is not the real cause of discontent and personal ambition.

A more cogent reason why American women are dissatisfied with home life is that they do not always find in it the companionship which would bring a sense of fulfillment. Men leave their homes early in the morning and return late, worn out with the efforts of the day. Their energy and their interest is concentrated in their business. Not only do they leave the running of the home and the children, but also everything connected with the intellectual and æsthetic aspects of life to women. That is why some people call America a "matriarchy."

American men say that their wives make such financial demands upon them that they are forced to put all their energy into money-making. To ask whether it is the demands of women which drive Americans to put their vitality into their careers, or whether it is men's passion for their work which makes them relatively indifferent to other sides of life, and so leads women to expect little from them except money, is like asking whether it is the egg which makes the chicken or the chicken which makes the egg. It is probable that both result in part from the pioneer tradition. Under primitive conditions economic security was the first essential, and many American men have not yet fully realized that non-material things are more than unnecessary luxuries.

Women argue that, since men combine a career with marriage, they should be able to manage it also. The answer is, that men can have careers largely because their wives make a career of marriage. No one knows better than women who earn their living how much a breadwinner needs a wife, not only to keep house, pay the bills, and tend to the thousand troublesome details of life (which so often drive bachelors into marriage), but to welcome and comfort him after a hard day. In a modest home if both work, who will be the comforter when they meet at night on a chilly hearth, or beside the unwashed breakfast dishes? In more prosperous circumstances these practical problems may be solved, but the psychological ones remain, and nothing can quite replace the wife who makes marriage her first concern. A few women certainly manage to combine marriage with a career and make a real success of both; but to do so requires exceptional qualities of vitality, enthusiasm, and generosity.

Therefore let the average woman who longs to "do something" and has ambitions for a career beware! In making a "life of her own" she may lose a woman's privilege of being not the equal, but the "better half" of her man.

## The New Brain Trust

DREW PEARSON and ROBERT S. ALLEN in *Redbook*

THERE was a day when Franklin Roosevelt's Brain Trust functioned as an efficient, compact, highly publicized machine. Its members met regularly with the gentleman whose brains they supplemented, mobilized his facts and figures, bombarded him with ideas on everything from the control of wealth to the control of birth, and watched Professor Moley mold their heterogeneous inspirations into a homogeneous whole.

It was an institution unique in Presidential history; but its day is no more. Now, just as the Republican National Committee comes forward with its own Brain

Trust, Mr. Roosevelt's mental hypo experts have scattered to the four winds. Professor Moley is busy editing a magazine frequently critical of the New Deal. General Johnson is scarcely on speaking-terms with the man whose speeches he once wrote. Jimmy Warburg has written a book which the G.O.P. is circulating as campaign material against the President. Lou Douglas, who once attended almost every bedside breakfast conference, now is a leader of the legion to "Stop Roosevelt." Sam Rosenman is a judge of the Supreme Court of New York. And little Louey Howe, who once sat cross-legged in a secluded office checking his chief's speeches as lovingly as a mother sews the garments of her first-born, is dead.

But without any fanfare of trumpets, there has grown up in their place a new Brain Trust. It is far different from the old, first in the fact that it has grown so quietly that almost no one knows it is there. Secrecy is one of its greatest assets. Second, it never meets as a unit, never sits in joint consultation over the next speech the President is to deliver. There is no one funnel through which all ideas pour to the Presidential desk, as in the day when Professor Moley was guardian of the cerebral portal. Roosevelt himself acts as his own funnel—jiggled too much in the hand of Moley.

In the vanguard of Roosevelt's new *sub rosa* Brain Trust is Tom Corcoran, a young Boston Irishman who acquired his brand of liberalism at the feet of Professor Felix Frankfurter, and his knowledge of Wall Street from the firm of Senator McAdoo.

Team-mate of Tom Corcoran is Ben Cohen. They are perfect partners. Corcoran is the genial salesman; Cohen the shy, esthetic student. Together they drafted and were largely responsible for the Stock Exchange Act, the Holding Corporation Bill, the Social Security Act, and the Truth in Securities Act.

Officially, Cohen is in the legal division of the Public Works Administration. Actually he is the most important legislative draftsman of the New Deal.

One holdover from the old Brain Trust is Charles Taussig, *sub rosa* adviser on all sorts of New Deal enterprises, from the education of youth to Virgin Islands rum. No one hears much about Taussig, and that perhaps is the secret of his success. Although spending most of his time in business in New York, he maintains a suite at the Carlton, comes to Washington regularly once a week. He is an idea man, an initiator and promoter, rather than a speech-writer.

Another holdover from the old Brain Trust is Professor Adolf A. Berle, of Columbia. An intellectual prodigy graduating from Harvard at the age of seventeen, Berle once wrote some of Roosevelt's most radical campaign speeches; then, as Mayor La Guardia's city chamberlain, he dropped completely out of the New Deal picture.

Now, however, he is back again, makes a trip each week from New York, and has taken a part in drafting several of Roosevelt's recent speeches. Painfully publicity-shy, he shuns the press even more than Republican National headquarters, where sits Henry P. Fletcher, uncle of his wife.

Rexford Guy Tugwell, most ornate and publicized scholar of them all, is still very much a part of the New Deal picture. But he is so busy holding together the far-flung battle-lines of his Resettlement Administration, that he could give little time to drafting Presidential speeches even were he asked—which he is not. Tugwell is still close to the President, has compromised few of his ideals, but is shunning the limelight as if it were the electric chair.

Latest addition to the revamped Roosevelt Brain Trust is Stanley High, for many years editor of the

*Christian Herald*, and a leader in the church and peace world. More recently religious broadcaster for the National Broadcasting Company, High was lent to the White House to win for Roosevelt the support of church and peace groups. To this end, he arranges conferences with religious delegations, and looks over all speeches in regard to policy calculated to win liberal support.

One of the oldest friends of the President also has come forward of late as newest and least publicized addition to the Brain Trust. He is Sumner Welles, who wore knee breeches in the wedding at which Franklin took Eleanor to be his wife. Now, as aristocratic Assistant Secretary of State, Welles has beaten a well-worn path across West Executive Avenue to his friend in the White House, not only as chief liaison officer of the State Department, but also with important contributions to Roosevelt speeches and policies.

But what stands out in the work of this new Brain Trust is administration rather than inspiration. The old thought-provoking days are over. The good old days when General Johnson was trailing headlines all over the horizon; when Professor Moley was making sudden seaplane dashes to the *Amberjack*; when Professor George R. Warren was squeezing the value of the dollar with the same avidity that he squeezed eggs from his farm-management hens at Cornell—yes, those good old rough and tumble days are over.

Roosevelt has now reached the shakedown days, and his new Brain Trust is avoiding pyrotechnics.

## Flying the North Atlantic

WILLIAM CLEMMENS IN *Cosmopolitan*

THIS SUMMER will see the last undeveloped airways of the world, the North Atlantic routes, divided up among England, United States, France and Germany. These are the four nations competing in the race to establish commercial air routes between Europe and North America, and whoever can dominate North transatlantic flying will be pre-eminent in the commercial aviation of the entire earth.

For two years the United States has had the equipment, the skill and the experience to establish air transport between Europe and North America. For the same period France and Germany have been flying the South Atlantic. But Great Britain has not been ready, and without her consent nobody can move in the North Atlantic. Now at last she is ready to treat with her competitors. So far as aviation is concerned today, the North Atlantic is a British pond. England holds the air advantages because she controls the terminals. With flying equipment what it is now, there are only two feasible routes that will pay dividends to stockholders, available to the transatlantic flyer. One is by way of Newfoundland and Ireland, the other via Bermuda and the Azores, and England controls both these routes.

Contrary to the general belief, the air is not free. The gentlemen who divided the loot at Versailles saw to that. The World War had advanced aviation as much as twenty years of peace could have done. It was evident that the planes which had crossed international borders to drop bombs could also fly across with samples and salesmen. Therefore, the treaty makers voted into international law the principle that control of the land carried with it the control of the air above that land, and that no aircraft could fly over foreign territory without permission of the foreign government.



America has certain advantages in the air race, however. She has tested oceanic equipment and trained personnel, and Pan American Airways has an agreement with Imperial Airways and also holds rights in Greenland and Iceland. France is in a good position to make advantageous trades in the North Atlantic, because of the situation in Europe and the Orient. Britain's shortest air route to her African and Asiatic colonies lies across France, and French Indo-China is on the direct route from Singapore to Hong Kong. France also is ready to fly the North Atlantic. Germany has less to trade than England. But she has the Zeppelins, which fly non-stop from Germany to New York. And German planes are now flying the narrower South Atlantic with the aid of mother ships permanently stationed in mid-ocean.

So it seems likely that all the nations will emerge with something and the set-up may be something like this: Great Britain and the United States virtually partners from the operational point of view, with Imperial Airways and Pan American Airways running a joint service across the Newfoundland-Ireland route, and a spur service from the United States to Bermuda; France and Germany operating independently on the Bermuda-Azores route.

## Humanizing Machines

HENRY GODDARD LEACH IN *Forum*

SOME ECONOMIC inequalities of our day are due to the erratic ownership of machinery. The man who owns a machine can perform the work of many men. When a government monopolizes machines it has a tremendous political advantage. We have just seen how the Fascists with their mechanized war overcame the Ethiopians with their superior patriotism. A few years ago a British publicist visited the U.S.S.R. and the U.S.A. in the same year. "These two countries," he said, "are alike in their worship of the machine. The difference is the Americans have all the machines and the Russians haven't any." Since then the Soviets have been busy repairing that discrepancy, and the mechanization of U.S.S.R. in communal ownership is setting up one of the most powerful units in human society.

In a democracy, in America, the problems of machine ownership and technological unemployment are far more complicated than in the simple totalitarian setup of U.S.S.R. and the Italian "Empire." In our free-for-all society each new laborsaving device gives us a new social headache. We listen jealously to lecturers from India who recommend a return to the simple life, to hand labor and religious meditation. Yet we know that Gandhi is not the way of progress; that it is our duty to find the techniques that will make each advance in machinery a blessing for the average citizen rather than a curse.

In his important address at the General Motors dinner at the World Fair in Chicago two years ago Dr. Glenn Frank said that the captains of industry were not responsible for the depression. They had done their part in bringing production to the highest peak in history. The fault lay with the social scientists who had failed to adjust distribution and consumption. Dr. Frank did not name these social scientists. Subsequent failure of my inquiry to locate these men led to skepticism about their existence until I met Dr. Max Ascoli of the New School for Social Research in New York.

He explained to me that social science does exist and has for some time been on the job, that it has codified programs for all problems of consumption and distribution and the correction of technological unemployment. This information, it seems, is all available in books so that any captain of industry who runs may also read. It is not the function of the scientist to be an executive, nor to act as a missionary to backward industrial management.

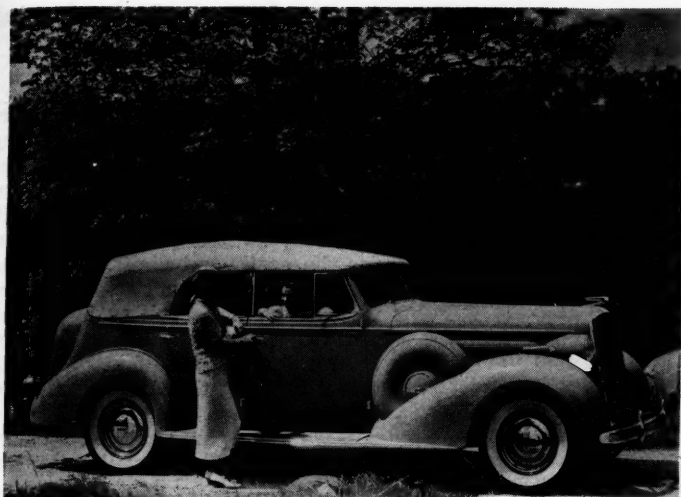
Where is the hitch? What is lacking seems to be a professional group whose business it is to communicate the findings of the social science "laboratory" to the industrial executive and the factory. The industries already have their physical laboratories in which experiments are worked out rather abstractly, later to be applied concretely to manufacture. It is evident that the findings of the social laboratories must also be recognized and means devised to apply them to the problem of diminishing labor as well as to the simpler one of increasing production.

## Russia Guards India

FROM THE CALCUTTA *New Statesman*

WE ARE NOW back to something like the period which began with the Anglo-Russian agreement in 1907 and ended with the Bolshevik revolution in 1917, with this important difference that during that period Britain and Japan were allies, whereas now no alliance exists. Instead there is a German-Japanese entente. The Anglo-Russian agreement which was the work of Sir Edward Grey and M. Isvolsky caused consternation in the Simla foreign office, and alarm and despondency in the British Legation at Teheran. For a hundred years the inhabitants of both had regarded Russia as a natural enemy, a proper and inevitable object of suspicion. Nevertheless history has already proved that Sir Edward Grey was right. He perforce had to scan a wider horizon and he knew that the German navy was not being built for nothing. In 1917 Russia collapsed under the strain of war but for three years she was of great value to the alliance. Let us hope that the English in Asia will not on this occasion prove so invertebrate in their opinions as they did before the war. For times are rapidly changing and we have to change with them.

Very striking is the change in Russian opinion. When the Bolsheviks dissolved the foundations of the Anglo-Russian agreement, these disappeared in a cloud of hatred. To the early fanatics of communism all capitalist countries were enemies, but Great Britain was *the* enemy. The children of the revolution were brought up to believe that a holy war between the Soviet and the British Empire was ultimately inevitable, and that the British Empire would of course go down. The origin of this hatred was the consciousness that the British Empire was the principal obstacle to the violent world revolution which the Leninites had confidently counted on as an immediate consequence of their own conquest of Russia. Things are different today. The Russian fanatics have spent their fury, and their successors are chiefly concerned not with spreading revolution in other countries but with the problem of preserving the Soviet Union from foreign enemies, raising their own standard of living to some nearer approximation to the high hopes so confidently expressed nineteen years ago, so inadequately fulfilled today, and resuming cultural relations with the rest of the world.



GENERAL MOTORS PHOTO

"Our estimate for 1935 placed the total number of touring automobiles at 11,000,000 out of a total passenger car registration of slightly less than 23,000,000.

"Riding in these touring automobiles were some 37,000,000 persons, and their aggregate expenditures are estimated at about \$4,000,000,000."—R. W. Tupper, department of Public Relations, A.A.A., Washington, D. C.

"Results of a special survey conducted by us show that the average automobile tour covers something like 2,300 miles; and by tour, I mean a journey, and not just a Sunday afternoon ride."—S. C. Hawley, holder of 19 automobile driving championships and Texaco's National Road Reporter.

**B**OTH of which statements will answer any question in your mind as to whether America's motorists go places and do things!

An offhand reply to a question concerning the destination of this year's motor tours would probably reveal four outstanding points—Nova Scotia, Dallas, Texas, for the Centennial Celebration; San Diego, for California's International Exposition, and the National Parks.

You can take Mr. Hawley's word for it that any motorist should be able to take his wife and youngster on a trip through the Great Smokies; Hot Springs, Texas' Centennial, The Alamo, Carlsbad Caverns, California's Exposition, Boulder Dam, Zion, Grand National, Bryce Canyon, Salt Lake City, Craters of the Moon, Grand Teton and Yellowstone—about 7,000 miles—for approximately \$280.

Such a trip, and averaging about 335 miles a day, can be done in three weeks.

There is no need to go into detail concerning highways or road conditions, because principal oil and gasoline companies today have brought their road reporting and map sections to such perfection as to reap full reward for their efforts. If there is one



Motor highways and steamship connections to fresh and salt water fishing "grounds" in Nova Scotia and New Brunswick.

thing that should be stressed, however, it is that all motorists should make a point of belonging to an automobile association, local or national or both. It is an obligation essential to good motoring.

Scenic, historic and municipal points of interest abound in all sections of the continent, and where is there a stopping place which does not beckon the sportsman? And by sportsmen we mean, in particular, fishermen. Personal choice leads us to think of Nova Scotia, because we'd like to see how it feels to hook a giant tuna of 982 pounds! Not that tuna is the only fish in Nova Scotia's waters.

The Texas Centennial is something that should not be missed. When Dallas set about doing something they did so with a bang, and Amon G. Carter and his fellow townsmen of Fort Worth are putting on a big show that is fully deserving of the praise that is being showered on them.

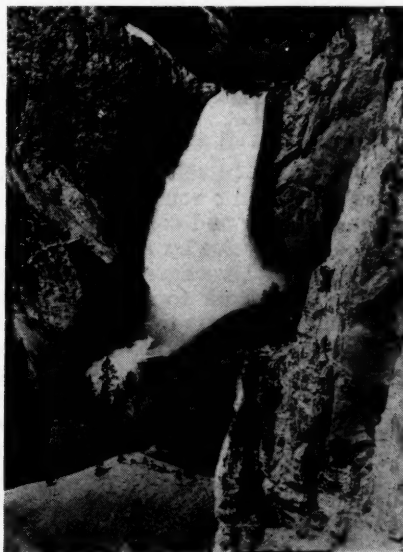
Arizona's State Highway Department is rightly proud of its work, particularly over the stretch Kingman-Las Vegas-Boulder Dam. And typical of the enterprise of the West—work is under way for the opening of an air-cooled hotel at Death Valley Junction!

So it goes through the list, im-

# HERE AND THERE BY CAR

provements and additions that serve merely to accentuate the natural beauties of some of America's greatest tourist spots—Sequoia, Grant, Yosemite, the Sierras, Oregon's Crater Lake, the Columbia River Highway, Rainier's snow-capped beauty.

Don't pass up Idaho. The drive from Couer d'Alene to Banff Park and back down to St. Mary and through Glacier Park is something to be remembered. Then there are the Craters of the Moon, just north of the Lincoln Highway between Twin



Falls and Pocatello; something worth seeing.

Naturally we couldn't fail to mention the Colorado and its famous Grand Canyon—but then, who ever has been able to do justice to the beauties of the Grand Canyon? There's only one solution, and that's to drive there yourself and see.

Maps and road information for any section of the country, or any itinerary will be furnished on written request to:  
**Automobile Editor,**  
Review of Reviews,  
233 Fourth Ave., N. Y. C.





### "THE OLD MAN"

His great-uncle, Frederic Auguste Bartholdi, the French sculptor, created the Statue of Liberty, and to all intents and purposes this must have had a bearing on the life of Rene Pugnet (pronounced Rrrrrrray Poonyay), who by descent should have been a diplomat, artist or scientist . . . But, as he puts it himself, ". . . I am a free character . . . I do not like monotony . . ." which gives you that "liberty" slant about the statue . . . So, Rene Pugnet became the first of his family to take to the sea . . . That was 39 years ago . . . Today he is retired from command of the world's

mighty Normandie, the French Line's contribution to luxury, courtesy and service . . . Though he has "swallowed his hook" Captain Pugnet is not going into drydock . . . Rather he is "going up" with a vengeance—to become an executive of Air France, the French aviation concern, where, as in the French Line, courtesy, efficiency and service are the by-words . . . He is to play a large part in the development of Air France's trans-Atlantic air service and hopes to make the first flight in the regular service from France to the United States . . . Rene Pugnet was born on Friday the 13th of August, 1881, which didn't deter him one jot . . . the experiences he survived before the mast as a youngster and later in steam read like a Jules Verne's thriller . . . His progress and popularity in the French Line were as steady as the man himself; from the smaller liners to the Paris, Ile de France and Normandie . . . He is a fluent linguist—English, German and Spanish, and Ouloff, a Senegalese dialect; and excellent musician—the violin and piano (the "cabin-grand" in his suite on the Normandie he built himself); an expert with pastels, boxer, fencer and inventor . . . He is married and has a charming wife and daughter, Marie-Louise, a popular young concert pianist . . . He played himself out of service July 13, 1936, on his home-made violin with Chopin's "Nocturne" before a group of newspapermen, his greatest admirers.

(Continued from page 7)

which transport them to Juneau, where connections are made with airplanes to other Alaskan points. This service brings Nome, Alaska, within the shadow of the Arctic Circle, less than five days from New York.

#### TWELVE SPECIAL AIR TOURS

One large travel bureau lists several special air routes, selected for the diversity and scenic appeal, for "Seeing America by Air".

The aerial voyages which extend from New York to Mexico City in seven scenic tours to the west coast, and from Niagara Falls to Florida on the five eastern routes, will be in co-operation with Eastern, Transcontinental and Western Air, American, Northwest, and United Air Lines, and will include land sightseeing itineraries at all points of interest. For instance:

From New York by American Airlines by way of Washington, Memphis, and Little Rock to the Texas Centennial Exhibition at Dallas en route to Los Angeles. Northward to San Francisco the tour will include Santa Barbara, Del Monte and the San Joaquin Valley, and Yosemite. Then—leave New York for Chicago, Salt Lake, and California scenes, with sightseeing journeys to Santa Fe, Albuquerque, and the Indian detour eastbound.

**O**R—westward through Chicago, the Yellowstone will be visited en route on United Air Lines to Salt

Lake City, the tour extending north to Seattle, from where the flight southward to Portland will be over the Columbia River Highway and the Shasta ranges en route to San Francisco. From Los Angeles the eastern homeward flight will include the Indian detour and Sante Fe on TWA.

Another tour adds Boulder Dam to the itinerary of the second tour mentioned above; while still another visits the Pacific Northwest by the way of Minneapolis to Butte, from where the Yellowstone Park is made as a detour. The tours include the Pacific coast itinerary to Los Angeles, with visits to Phoenix and Carlsbad Caverns, and American Airlines eastbound. From New York, two other eastern tours will include Washington, Chicago, Detroit, and Niagara Falls.

Eastern Airlines offer aerial sightseeing vacations which contain a variety of appeal to the vacationist interested in the south and Atlantic seaboard points. One tour from New York to the east and west coast of the Florida resorts includes sightseeing and motor trips. A second has the same itinerary as above from Chicago.

There also is a tour from New York to California by way of Mexico City, from where—after a sightseeing program of the southern republic's capital city and environs—journeys will be made to Guadalupe, San Juan, Teotihuacan to view the ancient Pyramids of the Sun and the Moon, with return stops at Pueblo, Los

Angeles, Dallas, and the Carlsbad Caverns en route east.

#### PICTURESQUE SPOTS

**T**RANSCONTINENTAL & WESTERN AIR stresses scenic treasure-hunting on its coast-to-coast route. From New York to Los Angeles, 17 hours and 35 minutes are required; still less, only 15 hours and 23 minutes, for the eastbound flight. Thus the Easterner who would spend his two week's vacation basking beneath a California sun, need sacrifice less than a day and a half in round-trip travel between the Atlantic and the Pacific.

More than three million summer season gadabouts—traveling by airplane, rail, automobile, and bus—are expected to visit the picturesque regions of Mexico, Arizona, and Nevada—heart of the Southwest—this summer and fall. The big parade got under way in early spring, and gives no indication of slackening for some time to come.

A number of travel bureaux, in co-operation with air lines, offer inclusive rates—providing for hotels, sight-seeing excursions, etc., as well as actual transportation.

One such tour provides for eighteen days of travel—7,300 miles, 47 hours in the air. The tour originates in New York or Philadelphia, where the traveler boards a TWA luxury liner and is borne westward to Chicago, Kansas City, Wichita, and Amarillo, Texas—soaring on over the Grand Canyon.

On the second day, by stopping off at Winslow, Arizona, the tourists may travel back to "El Canon Grande del Colorado," only 100 air miles away. Planes, trains, and buses offer convenient schedules. Two days are passed here in one of the most interesting spots in America. (New York is only thirteen hours away; Chicago, eight hours; Pittsburgh, ten hours; and Kansas City, seven hours.)

#### LUXURY IN THE ROUGH

The regular scheduled TWA skyliners follow the Colorado gorge, eastern boundary of the canyon, to Cape Solitude. Then they turn West, following the south rim. Below, the angry and muddy Colorado runs a crazily crooked course. Bright Angel Canyon rolls under from the north, and the Tonto Plateau with its winding trails soon appears below. On the brink of the south rim is El Tovar hotel, where guests "rough it" in luxury.

On the afternoon of the fourth day the traveler arrives at Los Angeles, on a TWA scheduled flight. The fifth day provides for sightseeing expeditions to Hollywood, Beverly

Hills, the beach resorts of Santa Monica and Ocean Park, and an afternoon drive to Pasadena by coach.

From the sixth to the ninth day: a three-day parlor car tour along California's Riviera—Santa Barbara, Del Monte, and Yosemite Valley—to San Francisco. Thence, on the eleventh day, to Tacoma, Wash. On the twelfth day to Mt. Rainier National Park. Thirteenth day, Seattle, thence by Northwest Airlines to Butte. And on the following morning—by plane—to West Yellowstone and a tour of Yellowstone National Park. The fifteenth and sixteenth days are devoted to sight-seeing in Yellowstone; the seventeenth to Grand Teton Parks and West Yellowstone.

The vacationists leave by an early morning Northwest Airlines plane for Chicago, where they transfer to Transcontinental & Western Airlines—arriving at New York, Boston, Philadelphia, or Baltimore in the evening of the eighteenth day.

#### CALIFORNIA BY PLANE

FROM Los Angeles the traveler—depending on his own roving tendencies—may fly either the eastward scenic route of TWA, which includes Boulder Dam, Grand Canyon, the Enchanted Desert, Death Valley, and countless other spots of scenic interest; or he may proceed up the coast of California, skirt the northern boundary of the United States on Northwest Airlines, down again to Chicago, and then into New York over TWA's route.

A variation would include a detour at Chicago down to New Orleans, to Houston and Dallas, Texas, and thence down into Mexico, reaching Los Angeles by Pan American planes or by boat.

Travel scouts of Transcontinental & Western Air have laid particular stress on the scenic wonders which beckon the tourist in the West, and the line has made arrangements at Albuquerque and at Winslow to take travelers from skyliners and whisk them by automobile, rail, and sight-seeing airplanes to a thousand fascinating spots.

Santa Fe, reached by a side aerial trip from Albuquerque in half an hour, with its quaint and narrow streets, its antique architecture and picturesque inhabitants, is attracting numerous sky rovers. This flight—on Varney Airlines—wings up the Rio Grande, where the terrain ascends to 7,000 feet at Santa Fe, which is perched on a range mesa just below the towering Sangre de Cristo range. Sight-seeing buses bear the vacationists to the principal pueblos and ancient ruins.



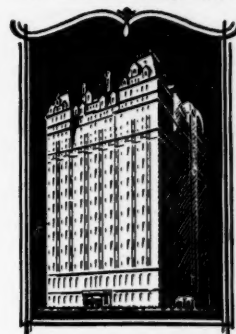
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### FIESTA SUDAMERICANO

SOUTH America's west coast republics during the summer months celebrate fiestas both sacred and profane which in their colorful and distinctive manifestations are furnishing North American travelers on both the Grace Line and Pan American Grace Airways with more and more interesting overtones to their vacation cruises.

Of outstanding interest is the Fiesta de la Raza which occurs on October 12. As the name indicates, this celebrates the virtues and characteristics of the race and extends over several days. A temporary village is erected around the "Estero Salado" a salt water arm of the sea which extends many miles in from the Pacific. Here native customs, dances and music, games and exercises, provide perhaps the most unique spectacle to be seen in South America today.

At the Estero Salado the North American interested in native airs will hear for the first time the "Amor Fino", a strictly native Ecuadorean song sung endlessly to the plaintive accompaniment of guitars.

Farther south in Peru the Fiesta of Santa Rosa de Lima is celebrated on August 30 each year with an extraordinary mixture of piety and joy. The first saint to be canonized in the western hemisphere, "Dear Little Santa Rosa" is one of the most beloved of religious figures. On her feast day her silver image is carried in veneration through Lima's streets, while all people kneel in prayer.

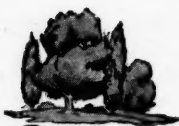
For two days the capital resounds to music and laughter, notably the music of the "Marinera", most typical of Peruvian folk dances.

### CHILEAN FETES

Still farther south, in Chili, fiestas celebrating the people's prowess as an equestrian nation take place in September. At these the ranchmen from the great "Fundos", or properties, engage in South American versions of the familiar rodeo which prove the Chilean "huaso" to be peer of the North American cowboy or the Argentine gaucho.

Chili, too, has a Fiesta de la Raza when "La Cueca", Chile's national dance, is enthusiastically performed, and the annual pilgrimage to the Virgin of Andocollo, a little town near Coquimbo, is attended by thousands.

The Grace Line runs regular cruises to all these countries, and in conjunction with Pan American Grace Airways it administers air-water cruises not only on South America's west coast but to the Argentine and Uruguay.



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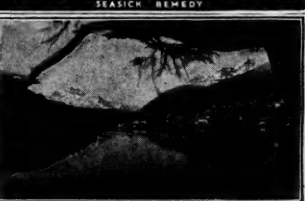
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### RED HOT NUMBER

In the bosom of the Stranja Mountains, south-east Bulgaria, the Bulgarian "Nestinarki" dance on red-hot embers. The nestinarki are old women. They are devout Christians whose patron saints are St. Konstantine and St. Elena.

On St. Konstantine's Day the peasants make a huge fire of wood logs in the village square, and while the logs blaze away the nestinarki begin the fire-dance. Headed by villagers bearing ikons of St. Elena and St. Konstantine and to the drone of bag-pipes, the old women parade through the village, dancing all the time to a strange rhythmic melody until they fall in a trance.

Then all the villagers gather around the mass of burning logs and the nestinarki, bare-footed, dance for several minutes on the red embers; and show no trace of burning or discomfort. A similar custom prevails in the neighboring villages of Madjourk and in the Turkish villages

of Murssova and Kosti on the opposite side of the Turkish border.

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### FRIENDS OF EGYPT

So widespread is the interest in Egypt and so keen the demand for information of recent striking archaeological discoveries, that last month there was formed a Friends of Egypt Society under the sponsorship of M. Amine Youssef, Egyptian Ambassador to the United States.

Strictly non-political in every sense, and non-commercial, the society is solely to diffuse closer knowledge of Egypt, past and present, and to foster new friendship between the two countries, already closest of friends.

Present officer-members, elected at the founders' meeting, include such eminent public figures as Willis Booth, banker, honorary president of the International Chamber of Commerce, chairman; Barclay Acheson, trustee of Near East Relief and

executive secretary of Near East Foundation, executive secretary; Herbert E. Winlock, archaeologist, director of the Metropolitan Museum of Art, N.Y.C.; Ludlow Bull, Egyptian Department of the Metropolitan Museum of Art; Col. H. Murray Jacoby, former U.S. Ambassador to Egypt; Dr. Paul Monroe, former president of Roberts College at Istanbul and director of the International Institute at Columbia University; Hamilton M. Wright, representative of the Tourist Development Association of Egypt at New York.

\*\*\*

### HOLLYWOOD...HMMMPH

All that's biggest, largest, colossal and whatnot does not necessarily come from Hollywood, as witness Moscow's outdoor Green Theatre. The screen will be three-stories high and 1700 square feet in area. Some 15,000 will see the film at one sitting.



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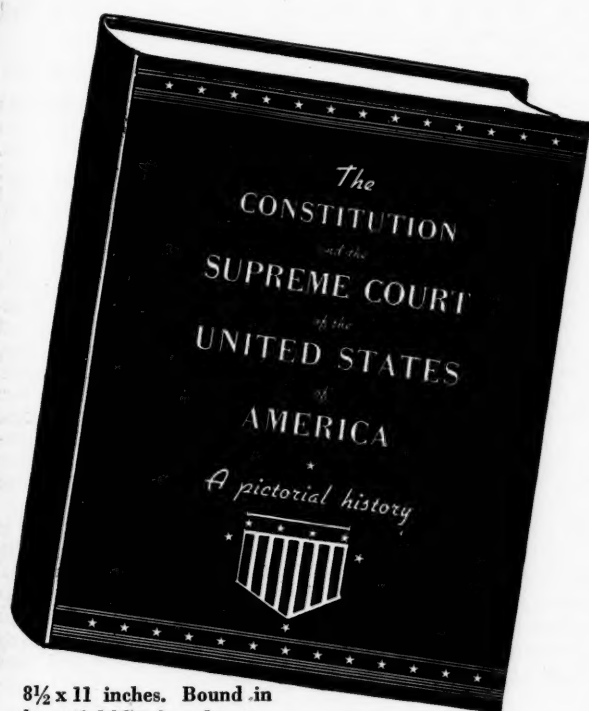
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# FROM THE EDITOR'S MAIL

## MR. DAWES ON WAR DEBTS

We are fortunate in being able to present to our readers a letter from Charles G. Dawes, Chicago banker, former Vice-President of the United States, and author of the Dawes Plan which aimed to fix Germany's capacity to pay reparations (1923).

### To the Editor:

The article on war debts, by the late Frank H. Simonds [July], is written with that perspective, clarity of statement, and soundness of judgment which have always characterized Mr. Simonds' presentations.

His view of the fundamental difficulties in the way of our accepting the payment of war debts in goods—which is the only way they can be paid, assuming that our debtors are able and willing to pay them in this way—agrees with my own.

We have adopted a national policy of high tariff. In order to protect American agriculture, labor, and industry we can bar competitive imports, or even non-competitive imports; but when we do this we have foreclosed the ability of our debtors to pay.

The cost of collecting the debts would equal the price of cancellation, as Mr. Simonds points out, which fundamental truth is ignored by the average politician and public man in America.

There is little early hope that the international debt situation will be generally discussed officially either here or abroad upon the basis of respective national necessities and capacities to pay, frankly admitted and clearly expressed and explained.

In the absence of a bankruptcy court which provides an opportunity for the discussion and decision of similar situations among citizens, the world in this matter seems at present at the mercy of the international demagogue.

The latter poses in this country as a friend of the taxpayer and the people, fighting any public enemy who would give away a just claim assumed to be valuable. He poses in the foreign debtor countries as a friend of the taxpayer and the people, fighting any public enemy who would submit to an unjust claim and thus both lower the standard and increase the cost of living.

Always chiefly concerned with creating temporary public repercussions designed to keep himself in office, the parliamentary demagogue is indifferent to possible long-time adverse effects of disregard of principle upon the welfare of the nation and its people, and seeks that side of any public issue which, right or wrong, is for the time popular.

No statesman is more easily misrepresented to the public than he who lifts his voice in behalf of sane and just moderation in any question of foreign policy where public sentiment is easily inflamed. That, perhaps, explains why

the leading statesmen of all countries tend to side-step a detailed, comprehensive, and fair discussion of debts.

I am in much doubt as to whether there ever will be any determined effort made hereafter to arrive at a reasonable settlement. I am in no doubt, however, that if any settlement is made which provides for the payment in goods of any large balance due to the United States, it would be followed promptly by the enactment by Congress of such increases in tariff schedules as would make it ineffective.

The devastating effects upon our domestic business, agriculture, and industry of such an importation of goods would bring this about. In such a situation the argumentative question, "they hired the money, didn't they?" would lose its present effectiveness.

Summarizing, I think that these debts will never be paid:

First, because of difficulties in the way of reaching a just settlement upon any rate of reduction which will be ratified afterward by public sentiment in any country concerned.

Second, because if such a joint ratification by public sentiment was possible, the eventual disrupting effect upon the domestic business and foreign trade of the United States by the importation of foreign goods would lead to its practical abrogation by the United States itself through tariff legislation or otherwise.

CHARLES G. DAWES,  
Chicago, Ill.

We quote from one other letter that comments upon the Simonds article, from the president of the National Industrial Conference Board—who wishes it understood that these are his personal views, for the Board as a research institution does not express opinions.

### To the Editor:

Mr. Simonds' article is a clear exposition of the familiar and orthodox view of the war debt question as a problem of transferring payment. In this exposition I doubt whether he gave full consideration to more recent knowledge regarding the international business transactions of the United States with the rest of the world, with the result that his conclusions regarding the possibility of transfer of debt payments are excessively over-simplified.

The war debt question is not principally a transfer problem, and could never have been settled on that basis alone. It involves many difficult internal economic problems of the debtor countries, and also many important psychological and even ethical questions, which lie wholly outside the field of economic and statistical consideration.

Even though the transfer problem is susceptible today of much more scien-

tific treatment than it has received in the past, these other factors have become so important that it would, perhaps, be irrelevant today to discuss the question solely on that basis.

VIRGIL JORDAN,  
New York City.

## MERIT SYSTEM—OR SPOILS?

Mr Taft's article last month—showing that the present Administration has added 240,000 employees to the government payroll, besides the millions of PWA workers, and reduced the percentage of classified jobs from 80 to 64—brings the following note from a well-known civil service official:

### To the Editor:

I concur entirely in Mr. Taft's thesis that civil service at its poorest recruits better employees than the spoils system. Experience proves that occasional inept civil servants are more easily removed than are inept appointees named by politicians.

All routine and most administrative positions are best filled competitively. Even policy-determining and confidential positions can be filled on a merit basis by noncompetitive examination, whereby appointing authorities nominate candidates they trust, who can only be appointed after passing rigid noncompetitive examination into educational and technical qualifications. Thus the merit system does include more than competitive service alone.

American civil service technicians in the last five years have devised practical methods of recruiting and promotion that are capable of affording career opportunity even wider than under the present British system. Unfortunately our federal law and rules are behind those of many states and local communities in this matter of promotion.

Under the best technique today, candidates with specialized technical experience and training superimposed on sound educational background are recruited. Modern tests of vocational aptitudes and work capacity beyond mere tests of technical knowledge can assure effective workers as well as effective answerers of examination.

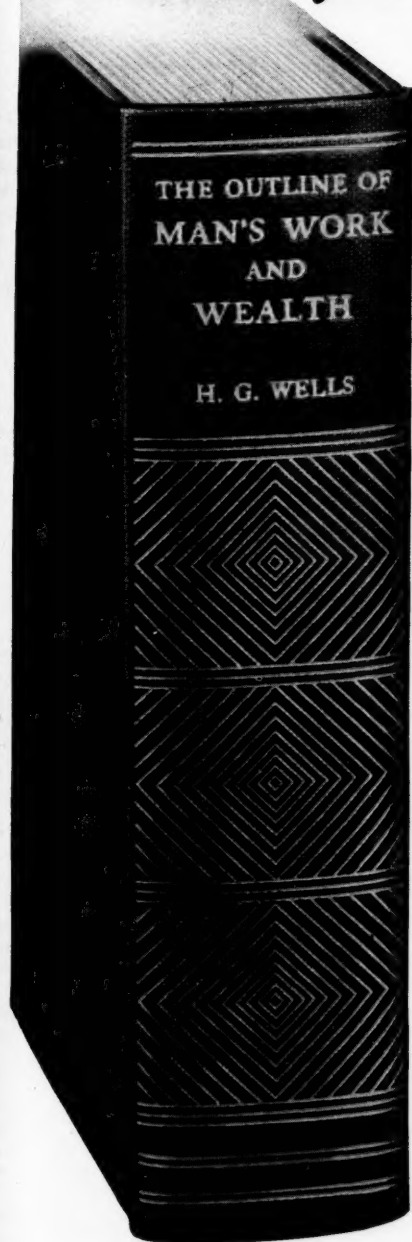
Moreover, the new practice of service-wide promotion examinations opens career opportunity for all qualified to reach the top. Objective records of quantity and quality of work performed are taking subjective inaccuracy out of service ratings.

The merit system under well-trained professional administrations is no longer a mere substitute for spoils; it has become an aggressive science, already eminently practicable and assuring tremendous economies in government.

SAMUEL H. ORDWAY, Jr.  
Civil Service Commissioner,  
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